

Stock code: 5536



ACTER GROUP CORPORATION LIMITED

**Handbook for the 2021
Annual Meeting of Shareholders**

MEETING TIME: May 28, 2021

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I. Meeting Procedure

ACTER GROUP CORPORATION LIMITED

Procedure for the 2021 Annual Meeting of Shareholders

- 1. Call the Meeting to Order**
- 2. Chairperson Remarks**
- 3. Report Items**
- 4. Proposals**
- 5. Discussion**
- 6. Elections**
- 7. Other Matters**
- 8. Questions and Motions**
- 9. Adjournment**

II. Agenda of Annual Meeting of Shareholders

ACTER GROUP CORPORATION LIMITED

Year 2021 Agenda of Annual Meeting of Shareholders

Time : 09:00 a.m on Friday, 28 May, 2021

Place : B2F, No.201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City 407, Taiwan
(SWEETEN PLAZA's international hall)

Chairperson : Chairman Liang, Chin-Li

1. Call the Meeting to Order

2. Chairperson Remarks

3. Report Items

- (1) To report the distribution of 2020 employee and director compensation.
- (2) 2020 Business Report.
- (3) Audit Committee's Review Report of 2020 Financial Statements.
- (4) The distribution of 2020 Profits.
- (5) To report the reason, amount, and other related matters of the issuance of the 1st domestic unsecured convertible bond.
- (6) To report the amendment of "Ethical Corporate Management Operating Procedures and Conduct Guide," "Code of Ethics," and "Rules of Procedure for Board of Directors Meeting."
- (7) To report the commitments undertaken by the company and subsidiary due to listing of subsidiary Acter Technology Integration Group Co., Ltd in China.

4. Proposals

- (1) Adoption of the 2020 Business Report and Financial Statements.
- (2) Adoption of the Proposal for Distribution of 2020 Profits.

5. Discussion

- (1) Discussion on the proposal to amend "Rules of Procedure for Shareholder Meetings."
- (2) Discussion on the proposal to amend "Procedures for Election of Directors."

6. Elections

- (1) To elect 7 members of the 12th Board of Directors. (Including 4 independent directors)

7. Other Matters

(1) To release the directors from non-competition restrictions.

8. Questions and Motions

9. Adjournment

III. Report Items

Report No. 1 : To report the distribution of 2020 employee and director compensation. (Proposed by the Board of Directors)

Explanation :

- (1) The Board of Directors resolved that when distributing the surplus profits for each fiscal year, the company shall first offset its losses of previous years and set not less than three percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to employees; and then set not more than five percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to directors. Independent directors shall be excluded from distribution.
- (2) The company proposed to allocate 4.9% for employee compensation (not less than 3%) in the amount of NTD 60,000,000. It also planned to allocate 2.3% for the remuneration of directors (not higher than 5%) in the amount of NTD 28,000,000.

Report No. 2 : 2020 Business Report. (Proposed by the Board of Directors)

Explanation : The 2020 Business Report is attached as pp. [13-35], Attachment 1 and Attachment 2.

Report No. 3 : Audit Committee's Review Report of 2020 Financial Statements.
(Proposed by the Board of Directors)

Explanation : The 2020 Audit Committee's Review Report is attached as pp. [36], Attachment 3.

Report No. 4 : The distribution of 2020 Profits. (Proposed by the Board of Directors)

Explanation : On February 25, 2021, Board of directors approved to distribute 2020 cash dividends of NT\$12 per share, with a total amount of NT \$ 686,240,904. When distributing cash dividends, the total amount paid to each shareholder shall be in whole NT dollars and any fractional amount less than one NT dollar shall be rounded up to the next NT dollar. The resulting difference shall be recognized as a Company expense.

Report No. 5 : To report the reason, amount, and other related matters of the issuance of the 1st domestic unsecured convertible bond. (Proposed by the Board of Directors)

Explanation:

- (1) The issuance of the 1st domestic unsecured convertible bond was filed and effective through the Financial Supervisory Commission authorization No.10903715901 dated on Oct. 30, 2020 and was listed for trading on OTC markets on Nov. 27, 2021.
- (2) Fund utilization plan: Boost the company's working capital and repay bank borrowings.
- (3) Key points of issuance
 - A. Face value per bond:NT\$100,000
 - B. Issuance period:3 years
 - C. Issue price: 101% of par value, total par value is NT\$800 million
 - D. Coupon rate: 0%
 - E. Conversion price: The conversion price at the time of issuance was NT\$196.4, the latest conversion price was NT\$195.1
- (4) Progress of fund utilization: Completed in the fourth quarter of 2020

Report No. 6 : To report the amendment of “Ethical Corporate Management Operating Procedures and Conduct Guide,” “Code of Ethics,” and “Rules of Procedure for Board of Directors Meeting.” (Proposed by the Board of Directors)

Explanation:

- (1) In order to conform to the amendments of related commercial laws, the company hereby amended “Ethical Corporate Management Operating Procedures and Conduct Guide,” “Code of Ethics,” and “Rules of Procedure for Board of Directors Meeting.”
- (2) Please refer to page 37-43 (Attachment 4~6) for details.

Report No. 7 : To report the commitments undertaken by the company and subsidiary due to listing of subsidiary Acter Technology Integration Group Co., Ltd in China. (Proposed by the Board of Directors)

Explanation: The on-going listing application of subsidiary Acter Technology Integration Group Co., Ltd (hereinafter referred to as “Acter China”) in China was approved at the 2019 annual meeting of shareholders and the board of directors have the full authority to sign the Horizontal Agreement, commitment letter of stable stock price, other commitment letters and documents. According to the requirements of the relevant China security authorities’ regulations, the company, Sheng Hwei International Co., Ltd, and Acter China must provide commitments and declarations for the IPO purpose. Impact of those commitments on the finance, business, and shareholders’ equity of the company or subsidiary was reviewed by the Audit Committee and approved by the Board of Directors on Feb. 25, 2021. Please refer to page 44-46 (Attachment 7) for details.

IV. Proposals

Proposal No. 1 : Adoption of the 2020 Business Report and Financial Statements.
(Proposed by the Board of Directors)

Explanation :

- (1) Acter Company's Financial Statements, including the balance sheet, statement of comprehensive income, statement of change in equity, and statement of cash flows, were audited by independent auditors, Chang, Tzu-Hsin CPA and Huang, Hai-Ning CPA of KPMG Firm. Also Business Report and Financial Statements have been approved by the Board held on Feb. 25, 2021 and examined by the Audit Committee of Acter Company.
- (2) The 2020 Business Report, independent auditors' report, and the above-mentioned Financial Statements are attached in the Meeting Agenda as, pp. [13-35], Attachment 1 and Attachment 2.

Resolution :

Proposal No. 2 : Adoption of the Proposal for Distribution of 2020 Profits.
(Proposed by the Board of Directors)

Explanation : Please refer to the 2020 Profit Distribution Table as follows.

**ACTER GROUP CORPORATION LIMITED
PROFIT DISTRIBUTION TABLE
Year 2020**

Unit : NTD

Beginning retained earnings	1,035,345,830
Add: net profit after tax	970,081,526
Less: Defined benefit plans	576,724
Less: 10% legal reserve(2020)	96,950,480
Less: Special reserve appropriated	10,276,781
Distributable net profit	1,897,623,371
Distributable items:	
Cash Dividend to shareholders (12 per share)(Note1)	686,240,904
Stock Dividend to shareholders (0 per share)	-
Unappropriated retained earnings	1,211,382,467

Note1:Pursuant to Article 26-1 of the Articles of Incorporation of the Company, it has been resolved by the board of directors and reported to this shareholder's meeting. Please refer to Report No. 4.

Resolution :

V. Discussion

Proposal No. 1 : Discussion on the proposal to amend “Rules of Procedure for Shareholder Meetings.” (Proposed by the Board of Directors)

Explanation :

- (1) In order to conform to the amendments of related commercial laws, the company hereby proposes to amend “Rules of Procedure for Shareholder Meetings.”
- (2) Please refer to page 47-50 (Attachment 8) for details.

Resolution :

Proposal No. 2 : Discussion on the proposal to amend “Procedures for Election of Directors.” (Proposed by the Board of Directors)

Explanation :

- (1) In order to conform to the amendments of related commercial laws, the company hereby proposes to amend “Procedures for Election of Directors.”
- (2) Please refer to page 51-53 (Attachment 9) for details.

Resolution :

VI. Elections

Proposal No. 1 : To elect 7 members of the 12th Board of Directors. (Including 4 independent directors) (Proposed by the Board of Directors)

Explanation :

- (1) The term of directors of the 11th Board will expire on 05/29/2020. According to the Article 16 and 16-2 of Articles of Incorporation and Article 192-1 of Company Law, the company proposes to duly elect 7 new Board members by nomination. (including 4 independent directors) The three-year term will start from 05/28/2021 and conclude on 05/27/2024.

- (2) Please refer to page 54-56 (Attachment 10) for the list of nominated approved by the Board meeting.

Voting by Poll :

VII.Other Matters

Proposal No. 1 : To release the directors from non-competition restrictions.
(Proposed by the Board of Directors)

Explanation :

- (1) In accordance with Article 209 of Company Law, any director acting for himself/ herself, or for any other person within the scope of the Company business, should explain the important matters of such acts and acquire the approval of the shareholders' meeting.
- (2) It is hereby proposed to release the restriction on competitive activities for newly-elected directors, who participate in the operations of other company that engages in the same or similar business as the Company. Please refer to page 57 (Attachment 11) for details.

Resolution :

VIII.Questions and Motions

IX.Adjournment

X. Attachments

Attachment 1: Business Report

ACTER GROUP CORPORATION LIMITED

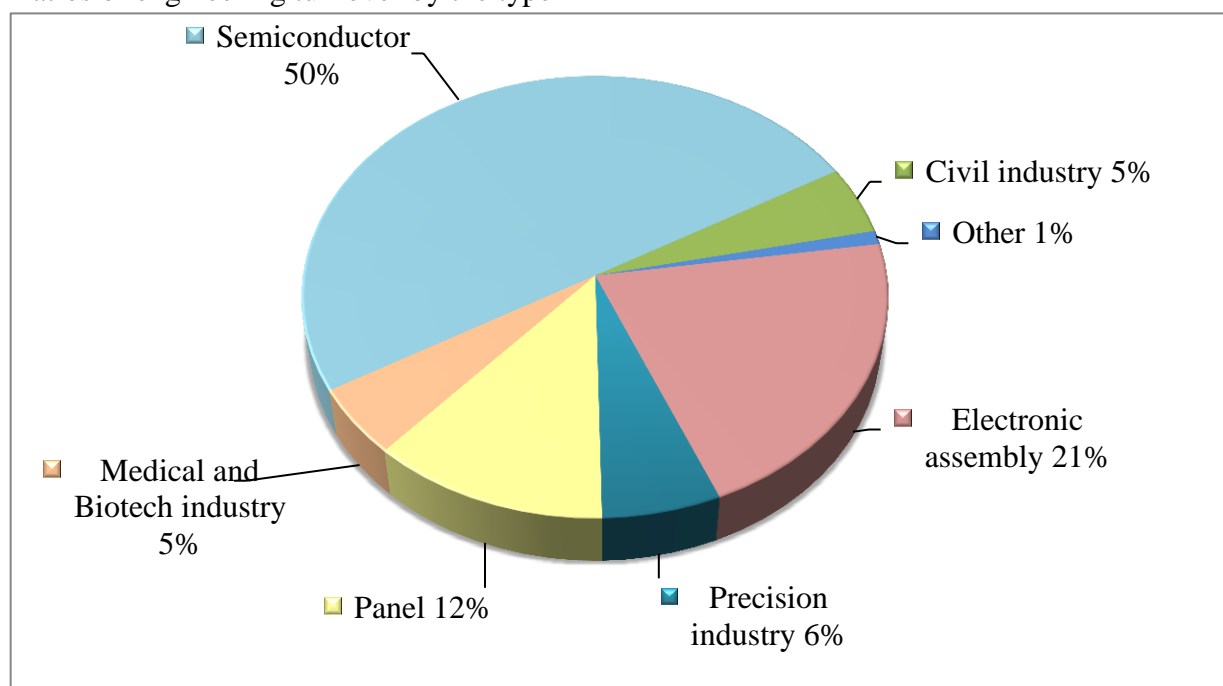
2020 Business Report

1. 2020 Business results

(1). Business plan implementation results

Although Acter group's performance of 2020 was affected by the U.S.-China trade war and COVID-19, profits declined compared with the same period last year. However, the group benefits from the expansion needs for capacity transfer to Southeast Asia, the company's consolidated revenue increased by approximately 10.3% compared to last year. Looking forward to 2021, the company will remain cautiously optimistic, continue to monitor the trend of the epidemic, and actively face challenges.

Ratios of engineering turnover by the type



Unit : In thousands of New Taiwan Dollars

Items	2020	2019	%
Operating revenue	13,977,010	12,674,886	10.3
Operating cost	11,458,504	10,102,547	13.4
Gross profit	2,518,506	2,572,339	(2.1)
Operating expenses	817,444	793,827	3.0
Operating income	1,701,062	1,778,512	(4.4)
Non-Operating income and expenses	(6,956)	87,954	(107.9)
Income before income taxes	1,694,106	1,866,466	(9.2)

(2). State of budget implementation

This item is not applicable since Acter has not disclosed any financial forecasts.

(3). Financial structure and profitability

Items		2020
Financial structure	Ratio of liabilities to assets (%)	58.33
	Ratio of long-term capital to fixed assets (%)	1,683.11
Solvency	Current ratio (%)	189.80
	Quick ratio (%)	137.22

Items		2020	
Profitability	Return on total assets (%)	8.88	
	Return on stockholders' equity (%)	20.23	
	Ratio to issued capital (%)	Operating income	313.92
		Pre-tax income	312.64
	Profit ratio (%)	8.57	
Earnings per share (\$)	17.90		

(4).Research and development

The department in charge of technology, research, and development continued to develop different innovative techniques for different industries and projects taking advantage of value-added engineering in order to strengthen our competitive advantages. Descriptions are provided as follows:

I. Solvent Recycling Outsourcing Business

The Company cooperates with the overseas company and domestic universities and colleges to develop high purity distillation as the core technology, in order to realizing the high purity and reusing of chemicals.

II. Concentration Control System for Chemical Liquid

It is a composite application of on-line distillation equipment and high precision meter and the precision will be assured by erasing the errors results from temperature and measurement according to temperature characteristics and moving average for data processing method.

III. New Type Electronic-grade Chemicals Supply System

We adopt different design manners such as flow-line design for avoiding transporting with higher efficiency, controlling the cleanliness of cleaning area, utilizing vertical type auto titling cleaning design and new style cleaning nozzle for better cleaning effect, employing visual determination system to distinguish the cleaning effect within a bucket. Besides, we also design clean parameter to be editable and recordable for building up product tracing system.

IV. Modular Design and Planning of Large Desalinators

Due to changes in climate and the environment, water shortages are occurring throughout the world. According to the predictions of the World Meteorological Organization, by 2050, 1 billion coastal and offshore residents will face water crisis. Our company started a partnership with a large overseas desalination engineering company and developed desalination technology at the lowest investment cost and unit price of water production.

V. Biotech Industry

The innovation, research, and development efforts in the implementation of biotech pharmaceutical projects were mainly reflected in the system impact assessment (SIA). Modern biotech pharmaceutical companies must comply with the PIC/S GMP requirements and GEP (Good Engineering Practice) is the cornerstone of PIC/S GMP while SIA is at the core of GEP.

The standard SIA operating procedure researched and developed by the Quality Control Department applies to projects during the design stage. Quality control engineers and system engineers apply the standard SIA operating procedure while performing internationally approved assessments of all systems involved in biotech pharmaceutical projects comprehensively. By successfully implementing the standard SIA operating

procedure, it helps set a clear goal while biotech pharmaceutical projects are being qualified, which not only saves the manpower and time needed for a project but also perfects the qualification logic for biotech pharmaceutical projects.

We will proactively establish the standard operating procedures for critical component assessments (CCAs) of air-conditioning, water purification, distillation, steam purification, compressed air, partition, power, firefighting, drainage, and automatic control systems in order to more effectively, economically, and completely fulfill the needs of biotech pharmaceutical projects.

VI. Development of developer recovery and reuse system

The development process is an important part of the semiconductor and photovoltaic process. The developer will contain a large amount of amine after used, if it flows to the wastewater treatment system, then it will cause the problem of ammonia nitrogen treatment.

VII. Continued Developments in Respective Engineering Aspects

- Electrical and mechanical engineering:
 - a. The BIM (Building Information Modeling) technology is employed to enhance technical capacity for space management, solve engineering pipeline construction collision problems, improve accuracy of construction, and reduce the loss of construction materials and manpower waste caused by repeated pipeline modifications. This will help improve project quality and achieve shorter construction period.
 - b. A research and development cooperation between the industry and universities was formed for the production of aseptic wet stencils. To reduce micro-contamination of clean production line products caused by large amounts of air outside the plant, high-tech facilities adopt wet template rinsing systems to remove or reduce damage. However, general wet template can easily cause a large amount of bacteria to breed and survive in an environment with high temperature and high humidity. The research and development of a rinsing mechanism for sterile wet template can simultaneously solve the problem of micro-molecular contamination on the product and reduce risks for operators.
 - c. Taking advantage of night-time off-peak hours to run the refrigerant compressor and produce ice. When the compressor is running and the brine water temperature is below 0°C, water inside the tank and container will experience phase changes and freeze in order to store lots of latent heat. The stored ice will then melt to release cold energy during the day when power utilization reaches the peak to satisfy the air-conditioning load demand and accomplish the goal of reducing the uptime of the compressor. By shifting air-conditioning power consumption from peak hours to off-peak ones, it successfully transfers peak air-conditioning load during the day and reduce electricity bills accordingly.
 - d. The heat pump air-conditioning system is used in places where both cold and heat sources are required. In addition to the usual air-conditioning requirements, high-efficiency hot water sources can also be provided for use. In places such as restaurants, hotels, slaughterhouses, etc., this feature can improve the efficiency of energy use, reduce the amount of energy used, and achieve the best energy-saving design.
- Special engineering: Taking advantage of air pressure differences between outdoors and indoors; the surrounding outdoor air will only flow toward the negative pressure area indoors because of the characteristic that air is flowing from a high pressure area

to a lower one. Negative pressure is an important protection mechanism that blocks an area from an outside environment; it is often used as a means to control air dispersion as it helps ensure that air flows toward an anticipated direction. ACTER successfully applied the negative pressure technology to help hospitals configure isolated negative-pressure patient wards.

- Bio-tech engineering: PIC/S GMP standards have more rigid requirements for clean rooms configured in pharmaceutical manufacturing facilities; they differ from existing cGMP standards in Taiwan the most in facilities and operations that help prevent against cross contamination.
- Clean room engineering: ACTER helps businesses complete clean room engineering by controlling the temperature, humidity, airflow, air pressure, applying CFD (Computational Fluid Dynamics), detecting AMC (Airborne Molecular Contamination) technique and particles of indoor air along with indoor illumination and dust-free building materials.
- Ultra-high building engineering: Taking advantage of separation through the turn layer to successfully reduce the pressure resistance level of pipeline, increase operation stability and security, and significantly cut the overall engineering cost.
- Heat recovery system for air conditioner: The air conditioner needs to be cooled by cooling tower. A heat recovery pipe system is designed to recover the heat as a heat source for the temperature and humidity control of industrial plants. Using this system can reduce the environmental pollution caused by waste heat and reduce the equipment expenditure for temperature and humidity control as well. While doing our best to be friendly to the environment, it can also reduce customer's costs.
- Manufacturing process engineering: It is merging cold source supply system through deeply understanding the manufacturing process system to effectively elevate the system utilization rate.
- Green energy engineering: Selected systems with high performance and low energy-consumption and applied them in the production environment. Using methods such as installing variable-frequency drives and special insulation designs, the demand for electricity was reduced. Renewable energy is used to assist customers in achieving the effect of saving energy.
- Construction automation: The adoption of steel reinforcement cages enhances structural accuracy as well as construction quality and shortens construction period.

2. Summary of business plan for 2021

(1).Business strategy

This year, Acter has set up its growth goals for various divisions and subsidiaries and implemented action plans for each unit. It also implemented the following business policies:

- I. Fulfill social responsibilities, strengthen corporate governance, enhance enterprise culture and achieve sustainable development
- II. Rooting deeply in this industry, continuously optimize engineering capabilities and provide a diverse, multi-project integrated engineering service
- III. Maintain constant contact with current customers from mainland China and Southeast Asia, develop new customers, create multi-regional business, and improve investment efficiency
- IV. Cooperate with international partners and continuously expand the scope of its professional service in biological, pharmaceutical, medical industries and desalination, and deepening of the professional technical capabilities such as green energy and environmental

protection.

V. Combine the professional manufacturing processes of gas and chemical supply systems in the treatment of liquid waste and solvent waste to create a new generation engineering integration technology and Earth-friendly technology

VI. Recruiting more diverse talents and actively training management teams

(2).Expected sales volume and basis for estimates

Acter is a professional manufacturer that applies system integration. For over 40 years, it has provided services which cover cleanrooms, air conditioning, electrical machinery, chemical engineering as well as control and instrument, equipment installation, etc., with the support of its strong and reliable multi-disciplinary and elite engineering team. Aside from its strength and advantage, Acter aims to keep pace with the request of customers. It caters to the needs of clients through constant communication and by establishing brand value and competitive advantage via innovative technology and high quality services.

In addition to serving its existing customers, Acter is aggressively expanding its domestic and overseas markets by identifying new industries and new customers, and satisfying the demand for a cross-disciplinary project service with integration system. As for internal operations, managing the company's integral resources is vital in providing the best and efficient solutions for customers.

(3).Major production and sales policies

Acter provides rapid and flexible integration of services specializing in engineering and technology. It is a comprehensive turnkey service company that handles design and planning, construction, engineering supervision, maintenance after completion and transfer. Acter services offer horizontal integration and sustainable intensification of industry value-chain across various technologies that impact people's livelihood, biotechnology, green energy and the medical field as well as the photovoltaic industry, semiconductor industry, biotechnology industry, energy industry, energy engineering, railway stations, high-end housing, hotels, electromechanical solutions for air conditioning systems, biopharmaceutical, medical institutes, etc.

With respect to its manufacturing-retail policy, while considering the needs of its customers, the company shall maintain existing clients, acquire new ones, and enter new industries in order to maintain business volume and achieve stable growth and profit. With regard to engineering, the company shall continuously improve and manage all kinds of projects and energy-saving and green eco-friendly economical engineering in order to create value and provide comprehensive solutions for its customers. As for financial considerations, it shall apply proper financial risk control strategies in handling customers and accelerate the collection rate of accounts receivable.

3. Future development strategies

The company is deeply committed to every project which represents and embodies Acter. It has been a long time since the company focused on the improvement and development of engineering technology. Currently, it has become a diversified engineering technology company through horizontal integration and continuous development. The content of service and professional engineering method were improved to keep pace with progress. It has continued to expand its service stations given the increasing demand of customers. In order to approach its customers and provide real-time service, Acter service stations are situated all over Taiwan, Mainland China and Southeast Asia.

Engineering system integration service is the core business of Acter. Therefore, when facing the challenges by climate change and industrial transformation, Acter will dedicate to the research and development of innovative green technology. Not only provides customers energy-saving and green eco-friendly economical engineering solutions from the technology end, but also integrates our professional skills, knowledge and experiences to, through cooperation with our subcontractors, build “high value, low power consumption and low pollution” quality spaces. We commit more effort to bring customers more general ideas of green sustainability and responsible services in the future in order to head towards prospects of sustainability.

4. Effect of the external competitive environment, legal and regulatory environment, and overall business environment

Large-scale construction suppliers offered turnkey solutions that enabled them to gain control of the electricity and machine engineering market, which led to greater competition in the electricity, machine and cleanroom engineering industry. Acter is committed to creating valuable projects and reduces the financial burden of its clients through innovative technologies and special engineering methods. In addition, it reduces overhead expense and engineering construction risks. It also forms a stable and cooperative relationship with suppliers for effective cost control and improvement of price competition in construction engineering. Meanwhile, it develops related business of energy-saving which will not only provide better services for its customers but also contribute to the overall environment.

As far as the regulatory environment is concerned, the company periodically reviews changes made to laws and regulations to ensure compliance with requirements of the competent authority and adheres to its belief of legitimate management. Generally speaking, changes to the regulatory environment will not have a major impact on the company.

In the macro business environment, according to the estimation of MIC, in response to the advent of the digital economy, the ICT industry will fully expand into various industries, and capital expenditure will show growth in 2021. The capital expenditure of global semiconductor industry is expected to be USD 84.581 billion, a 17.8% increase from USD 71.78 billion of 2020. This trend is beneficial to Acter’s performance. However, the overall industrial prosperity is affected by the trend of the epidemic and remains uncertain.

5. Corporate Social Responsibility

Acter pursues corporate sustainability and fulfills corporate social responsibilities and takes “Protecting the Earth, Reducing Energy Consumption” as the appeals. From needs assessment survey, concept design, benefit analysis, spatial planning, material evaluation, valuation, lean engineering, system debugging, and operations to concern, we implement each at every one of the steps so as to achieve the demands and targets and to fulfill the duty as a global citizen, providing the optimum balance for the teams, customers, environment, and suppliers.

Acter conducts industry-university cooperative projects to cultivate young talents and provide opportunities for students. It also participates in socially relevant activities such as emergency support and campaign to encourage reading which can benefit society and the community.

As Acter promotes engineering safety in accordance with government regulations, every project adheres to standard operating procedures to ensure safety management and zero accident at the construction site. It holds daily toolbox meetings before work begins and strictly implements security measures at the construction site. It conducts random inspection of safety equipment and practices to ensure smooth and safe completion of projects.

Whatever we take from the society shall be used for the society: We plant the trees, hope for next generation can get the shade. With our core competence, Acter is doing our best to care for the society and sow the seeds for future generations. Acter encourages our staffs to join the line to do something that is really meaningful. This will surely continue generation after generation and we will become better year after another year.

It deeply appreciates the support of shareholders. Acter hopes to create greater value for the entire organization and its shareholders.

Chairman: Liang, Chin-Li

Lai, Ming-Kun

General Manager:

Wang, Chun-Sheng

Accounting Supervisor : Tsao, Yun-Han

Attachment 2: 2020 Independent Auditors' Report and Financial Statements

Independent Auditors' Report

To the Board of Directors of Acter Group Corporation Limited:

Opinion

We have audited the financial statements of Acter Group Corporation Limited (the "Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statement of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2020 in accordance with the auditing standards generally accepted in the Republic of China, and the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No.1090360805 issued by the Financial Supervisory Commission. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note 4(p) "Revenue", Note 5(a) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty: Revenue recognition", and Notes 6(s) "Revenue from contracts with customers" to the financial statements.

Description of key audit matter

The Company assesses its construction revenue by measuring the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs; the estimated total contract cost involves judgment and estimation uncertainty of the Company's management. Consequently, revenue recognition is one of the key matters for our audit.

How the matter was addressed in our audit

Our principal audit procedures included: testing the Company's internal control of sales and receipt cycle to assess whether there is any defects and irregularities of internal control systems; reviewing major contracts to understand the specific terms and risks of the contracts; comparing the actual construction costs incurred with

the estimated construction costs to evaluate rationality of the estimation method; assessing whether the Company's accounting policy on revenue recognition is in accordance with the related accounting standards.

2. Assessment of impairment of receivables

Please refer to Note 4(f) "Financial instruments", Note 5(b) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty: Impairment of receivables", and Note 6(d) "The net of notes and accounts receivable" to the financial statements.

Description of key audit matter

The recoverability of the Company's receivables is closely related to its business cycle and its customers' operating situation. The Company's management estimates the impairment for receivables by assessing each customer's financial status and historical collection record. Impairment of receivables involves judgment and estimation uncertainty of the Company's management. Consequently, impairment of receivables is one of the key matters for our audit.

How the matter was addressed in our audit

Our principal audit procedures included: testing related internal control of accounts receivable; reviewing the collection of notes and accounts receivable during the subsequent period; evaluating the Company's assumption of impairment by performing receivables aging analysis and reviewing the historical collection record, comparing the allowance for impairment and actual unrecoverable receivables to assess the adequacy of allowance for impairment in order to assess whether the impairment is fairly presented.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investments accounted for using equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tzu-Hsin Chang and Hai-Ning Huang.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2021

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese.)

ACTER GROUP CO., LTD.

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a)and(v))	\$ 1,660,258	20	596,478	9	2120	Current financial liabilities at fair value through profit or loss(note 6(b),(k)and(v))	1,440	-	-	-
1110	Current financial assets at fair value through profit or loss (note 6(b)and(v))	35,694	-	20,631	-	2130	Current contract liabilities (note 6(s)and7)	541,658	7	417,197	6
1140	Current contract assets (note 6(s) ,(v)and7)	997,207	12	454,274	7	2150	Notes payable (note 6(v))	5,410	-	3,528	-
1150	Notes receivable, net (note 6(d)and(v))	48,947	1	273,526	4	2170	Accounts payable (note 6(v))	1,202,292	14	833,254	13
1170	Accounts receivable, net (note 6(d)and(v))	1,181,915	14	790,065	12	2180	Accounts payable to related parties (note 6(v)and7)	1,167	-	2,518	-
1180	Accounts receivable to related parties, net (note 6(d),(v)and7)	40,822	-	53,079	1	2201	Accrued salaries and bonuses(note 6(v))	113,846	1	130,117	2
1200	Other receivables (note 6(e)and(v))	201	-	44	-	2230	Current income tax liabilities	60,560	1	17,248	-
1210	Other receivables to related parties (note 6(e),(v)and7)	12,437	-	12,357	-	2250	Current provisions (note 6(m))	27,883	-	33,792	1
1476	Other current financial assets (note 6(v))	48,008	1	238,409	4	2280	Current lease liabilities (note 6(l))	11,888	-	11,092	-
1479	Other current assets	113,583	1	91,757	2	2399	Other current liabilities and accrued expenses	162,478	2	176,894	3
		<u>4,139,072</u>	<u>49</u>	<u>2,530,620</u>	<u>39</u>			<u>2,128,622</u>	<u>25</u>	<u>1,625,640</u>	<u>25</u>
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets at fair value though other comprehensive income (note 6(c)and(v))	132,848	2	130,000	2	2530	Bonds payable(note 6(k)and(v))	770,519	9	-	-
1550	Investments accounted for using equity method (note 6(g))	3,787,513	44	3,421,506	52	2570	Deferred tax liabilities (note 6(o))	384,951	5	322,322	5
1600	Property, plant and equipment (note 6(h))	96,308	1	98,024	2	2580	Non-current lease liabilities (note 6(l))	40,389	-	45,680	1
1755	Right-of-use assets (note 6(i))	51,842	1	56,526	1	2640	Non-current provisions for employee benefits (note 6(n))	21,100	-	20,657	-
1760	Investment property, net (note 6(j))	238,280	3	240,767	4	2645	Guarantee deposits received	152	-	150	-
1840	Deferred tax assets (note 6(o))	35,265	-	31,429	-			<u>1,217,111</u>	<u>14</u>	<u>388,809</u>	<u>6</u>
1990	Other non-current assets	10,751	-	9,160	-			<u>3,345,733</u>	<u>39</u>	<u>2,014,449</u>	<u>31</u>
		<u>4,352,807</u>	<u>51</u>	<u>3,987,412</u>	<u>61</u>		Total liabilities				
Total assets		<u>\$ 8,491,879</u>	<u>100</u>	<u>6,518,032</u>	<u>100</u>						
						Equity attributable to owners of parent (note 6 (p)):					
3100	Ordinary shares	541,868	7	541,868	8						
3140	Advance receipts for ordinary share	450,544	5	-	-						
3200	Capital surplus	1,437,710	17	1,392,119	21						
3300	Retained earnings	2,855,485	34	2,698,781	42						
3400	Other equity interest	(139,461)	(2)	(129,185)	(2)						
		<u>5,146,146</u>	<u>61</u>	<u>4,503,583</u>	<u>69</u>						
							Total liabilities and equity	<u>\$ 8,491,879</u>	<u>100</u>	<u>6,518,032</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese.)

ACTER GROUP CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2020		2019	
		Amount	%	Amount	%
Operating Revenues:					
4521	Construction revenue (note 6(s) and 7)	\$ 4,570,066	100	\$ 2,996,461	100
4529	Less: allowances	(1,304)	-	(4,129)	-
		<u>4,568,762</u>	<u>100</u>	<u>2,992,332</u>	<u>100</u>
4800	Other operating revenue (note 6(s) and 7)	-	-	11,325	-
		<u>4,568,762</u>	<u>100</u>	<u>3,003,657</u>	<u>100</u>
Operating costs:					
5520	Construction cost (note 6 (n),(q),(t)and7)	3,970,292	87	2,485,569	83
5800	Other operating costs	-	-	9,736	-
		<u>3,970,292</u>	<u>87</u>	<u>2,495,305</u>	<u>83</u>
Gross profit from operations					
		<u>598,470</u>	<u>13</u>	<u>508,352</u>	<u>17</u>
Operating expenses (note 6(n),(q)and(t)):					
6100	Selling expenses	21,334	-	19,498	1
6200	Administrative expenses	179,686	4	174,246	6
6450	Expected credit loss (note 6(d))	9,768	-	5,798	-
		<u>210,788</u>	<u>4</u>	<u>199,542</u>	<u>7</u>
Net operating income					
		<u>387,682</u>	<u>9</u>	<u>308,810</u>	<u>10</u>
Non-operating income and expenses:					
7050	Finance costs (note 6(u))	(2,110)	-	(594)	-
7100	Interest revenue (note 6(u))	1,736	-	3,338	-
7010	Other income and expense (note 6(v))	17,648	-	12,180	-
7070	Shares of loss of associates accounted for using equity method, net	727,603	16	864,020	29
7020	Other gains and losses, net (note 6(v))	4,345	-	24,704	1
		<u>749,222</u>	<u>16</u>	<u>903,648</u>	<u>30</u>
Profit before income tax					
		<u>1,136,904</u>	<u>25</u>	<u>1,212,458</u>	<u>40</u>
Less: Income tax expense (note 6(o))					
		<u>166,822</u>	<u>4</u>	<u>176,364</u>	<u>6</u>
Profit					
		<u>970,082</u>	<u>21</u>	<u>1,036,094</u>	<u>34</u>
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements effects on defined benefit plans (note 6(n))	(1,418)	-	(1,358)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2,848	-	(577)	-
8330	Share of loss (profit) of associates and joint ventures accounted for using equity method though other comprehensive income, net, that may not be reclassified to profit or loss	841	-	(6,358)	-
8349	Income tax related to components of other comprehensive income that may not be reclassified to profit or loss	-	-	-	-
		<u>2,271</u>	<u>-</u>	<u>(8,293)</u>	<u>-</u>
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(16,405)	-	(74,749)	(2)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(o))	3,281	-	14,951	-
		<u>(13,124)</u>	<u>-</u>	<u>(59,798)</u>	<u>(2)</u>
8300	Other comprehensive income, net of tax	<u>(10,853)</u>	<u>-</u>	<u>(68,091)</u>	<u>(2)</u>
8500	Total comprehensive income profit for the years	<u>\$ 959,229</u>	<u>21</u>	<u>968,003</u>	<u>32</u>
Earnings per share (note 6(r))					
9750	Basic earnings per share(In new Taiwan dollars)	<u>\$ 17.90</u>		<u>19.16</u>	
9850	Diluted earnings per share(In new Taiwan dollars)	<u>\$ 16.55</u>		<u>18.94</u>	

See accompanying notes to financial statements.

ACTER GROUP CO., LTD.
Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Reviewed only, not audited in accordance with the generally accepted auditing standards.

	Retained earnings						Exchange difference on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others	Total Other equity interest	Total equity	
	Ordinary stock	Advance receipt	Capital Surplus	Legal reserve	Special reserve	Unappropriated retained earnings						Total retained earnings
Balance, January 1, 2019	\$ 542,028	-	1,393,239	512,938	56,560	1,913,947	2,483,445	(63,237)	(5,573)	(776)	(69,586)	4,349,126
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	104,902	-	(104,902)	-	-	-	-	-	-
Special reserve	-	-	-	-	12,249	(12,249)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(813,042)	(813,042)	-	-	-	-	(813,042)
Share-based payment transaction	(160)	-	(1,120)	-	-	-	-	-	-	776	776	(504)
Profit for the years ended December 31,2019	-	-	-	-	-	1,036,094	1,036,094	-	-	-	-	1,036,094
Other comprehensive income for the years ended December 31,2019	-	-	-	-	-	(7,716)	(7,716)	(59,798)	(577)	-	(60,375)	(68,091)
Total comprehensive income	-	-	-	-	-	1,028,378	1,028,378	(59,798)	(577)	-	(60,375)	968,003
Balance, December 31, 2019	\$ 541,868	-	1,392,119	617,840	68,809	2,012,132	2,698,781	(123,035)	(6,150)	-	(129,185)	4,503,583
Balance, January 1, 2020	541,868	-	1,392,119	617,840	68,809	2,012,132	2,698,781	(123,035)	(6,150)	-	(129,185)	4,503,583
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	103,609	-	(103,609)	-	-	-	-	-	-
Special reserve	-	-	-	-	60,377	(60,377)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(812,801)	(812,801)	-	-	-	-	(812,801)
Changes in ownership interests in subsidiaries	-	-	(268)	-	-	-	-	-	-	-	-	(268)
Cash capital increase	-	450,544	-	-	-	-	-	-	-	-	-	450,544
Share-based payment transaction	-	-	12,162	-	-	-	-	-	-	-	-	12,162
Due to recognition of equity components due to issuance of convertible bonds	-	-	33,697	-	-	-	-	-	-	-	-	33,697
Profit for the years ended December 31,2020	-	-	-	-	-	970,082	970,082	-	-	-	-	970,082
Other comprehensive income for the years ended December 31,2020	-	-	-	-	-	(577)	(577)	(13,124)	2,848	-	(10,276)	(10,853)
Total comprehensive income	-	-	-	-	-	969,505	969,505	(13,124)	(2,848)	-	(10,276)	959,229
Balance, December 31 2020	\$ 541,868	450,544	1,437,710	721,449	129,186	2,004,850	2,855,485	(136,159)	(3,302)	-	(139,461)	5,146,146

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese.)
ACTER GROUP CO., LTD.
Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,136,904	1,212,458
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses (including investment property)	17,460	17,200
Amortization expenses	4,397	3,363
Expected credit losses / Provisions for bad debt expense	9,768	5,798
Net loss from current financial liabilities at fair value through profit or loss	240	-
Interest expense	2,110	594
Interest income	(1,736)	(3,338)
Dividend income	(3,905)	-
Share-based payments	12,162	(504)
Shares of profit of associates and joint ventures accounted for using equity method	(727,603)	(864,020)
Losses on disposal of property, plant and equipment	-	25
Gains on disposal of investment	-	(19,515)
Total adjustments to reconcile profit (loss)	<u>(687,107)</u>	<u>(860,397)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in current financial assets at fair value through profit or loss	(15,063)	143,066
(Increase) decrease in current contract assets	(542,933)	38,264
Decrease (increase) in notes receivable	224,579	(212,562)
Increase in accounts receivable	(389,361)	(199,497)
Decrease (increase) in other financial assets	168,537	(1,385)
Total changes in operating assets	<u>(554,241)</u>	<u>(232,114)</u>
Changes in operating liabilities:		
Increase (decrease) in current contract liabilities	124,461	(107,547)
Increase in notes payable	1,882	578
Increase (decrease) in accounts payable	367,687	(392)
Decrease in provisions	(5,909)	(7,036)
Decrease in other current liabilities	(31,662)	(5,429)
Total changes in operating liabilities	<u>456,459</u>	<u>(119,826)</u>
Total adjustments	<u>(784,889)</u>	<u>(1,212,337)</u>
Cash inflow generated from operations	352,015	121
Interest received	1,537	4,550
Interest paid	(1,284)	(594)
Income taxes paid	(61,436)	(129,258)
Net cash flows from operating activities	<u>290,832</u>	<u>(125,181)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(127,400)
Proceeds from disposal of non-current assets held for sale	-	72,627
Acquisition of property, plant and equipment	(1,110)	(632)
Increase guarantee deposits paid	(281)	(7)
Acquisition of intangible assets	(5,406)	(4,915)
Increase in other non-current assets	(301)	-
Dividends received	349,669	371,147
Net cash flows used in investing activities	<u>342,571</u>	<u>310,820</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	460,000	-
Decrease short-term loans	(460,000)	-
Issuance of corporate bonds	804,590	-
Increase (decrease) in guarantee deposits received	2	66
Payment of lease liabilities	(11,958)	(11,267)
Cash dividends paid	(812,801)	(813,042)
Capital increase by cash	450,544	-
Net cash flows from (used in) financing activities	<u>430,377</u>	<u>(824,243)</u>
Net increase (decrease) in cash and cash equivalents	<u>1,063,780</u>	<u>(638,604)</u>
Cash and cash equivalents at beginning of period	<u>596,478</u>	<u>1,235,082</u>
Cash and cash equivalents at end of period	<u>\$ 1,660,258</u>	<u>596,478</u>

See accompanying notes to financial statements.

Representation Letter

The entities that are required to be included in the combined financial statements of Acter Group Corporation Limited as of and for the year ended December 31, 2020 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Acter Group Corporation Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Acter Group Corporation Limited

Chairman: Liang, Chin-Li

Date: February 25, 2021

Independent Auditors' Report

To the Board of Directors of Acter Group Corporation Limited:

Opinion

We have audited the consolidated financial statements of Acter Group Corporation Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certificated Public Accountant and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No.1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note 4(q) "Revenue", Note 5(a) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty: Revenue recognition", and Notes 6(v) "Revenue from contracts with customers" to the consolidated financial statements.

Description of key audit matter

The Group assesses its construction revenue by measuring the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs; the estimated total contract cost involves judgment and estimation uncertainty of the Group's management. Consequently, revenue recognition is one of the key matters for our audit.

How the matter was addressed in our audit

Our principal audit procedures included: testing the Group's internal control of sales and receipt cycle to assess whether there is any defects and irregularities of internal control systems; reviewing major contracts to understand the specific terms and risks of contracts; comparing the actual construction costs incurred with the estimated construction costs to evaluate rationality of the estimation method; assessing whether the Group's accounting policy on revenue recognition is in accordance with the related accounting standards.

2. Assessment of impairment of receivables

Please refer to Note 4(g) "Financial instruments", Note 5(b) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty: Impairment of receivables", and Note 6(d) "The net of notes and accounts receivable" to the consolidated financial statements.

Description of key audit matter

The recoverability of the Group's receivables is closely related to its business cycle and its customers' operating situation. The Group's management estimates the impairment for receivables by assessing each customer's financial status and historical collection record. Impairment of receivables involves judgment and estimation uncertainty of the Group's management. Consequently, impairment of receivables is one of the key matters for our audit.

How the matter was addressed in our audit

Our principal audit procedures included: testing related internal control of accounts receivable; reviewing the collection of notes and accounts receivable during the subsequent period; evaluating the Group's assumption of impairment by performing receivables aging analysis and reviewing the historical collection record, comparing the allowance for impairment and actual unrecoverable receivables to assess the adequacy of allowance for impairment in order to assess whether the impairment is fairly presented.

3. Accrual of construction contract losses

Please refer to Note 4(q) "Revenue (Cost from contracts with customers)", Note 5(c) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty: Accrual of construction contract losses", and Note 9(e) "Commitments and Contingencies" to the consolidated financial statements.

Description of key audit matter

If the Group assesses that the contract cost that has been incurred is "unlikely to be recovered" then will make an accrual for the loss and recognize it as an expense immediately. The accrual of the losses involves management judgment so that the estimation of construction contract losses is one of the key matters for our audit.

How the matter was addressed in our audit

Our principal audit procedures included: Comparing the actual amount of construction contract losses and loss provisions accrued in the past assessing and understanding how the management estimates the losses, including the method of assessment, whether the source of the information is appropriate, and the possibility to correct the accounting estimates; evaluating the appropriateness of accounting principles and related disclosures. In addition, if the completion of the contract is subject to the outcome of pending litigation or legislation, the construction contract losses will also be evaluated in accordance with IAS 37.

Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tzu-Hsin Chang and Hai-Ning Huang.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a) and (y))	\$ 5,165,884	34	3,874,953	32	2100	Short-term borrowings (note 6(m) and (y))	\$ 666,870	5	136,609	1
1110	Current financial assets at fair value through profit or loss (note 6(b) and (y))	370,145	2	172,400	1	2120	Current financial liability at fair value through profit or loss (note 6(b), (n) and (v))	1,440	-	-	-
1140	Current contract assets (note 6(v))	2,935,250	19	1,496,769	13	2130	Current contract liabilities (note 6(v))	1,761,020	12	1,224,181	10
1150	Notes receivable, net (note 6(d) and (y))	197,443	1	453,149	4	2150	Notes payable (note 6(y))	95,853	1	63,637	1
1170	Trade receivables, net (note 6(d), (v) and (y))	3,930,281	26	3,480,867	30	2170	Trade payables (note 6(y))	3,536,546	23	3,110,389	26
1200	Other receivables (note 6(e) and (y))	8,689	-	20,424	-	2180	Trade payables to related parties (note 6(y) and 7)	654	-	313	-
1220	Current income tax assets	4,014	-	2,305	-	2201	Accrued salaries and bonuses (note 6(y))	323,816	2	341,137	3
1310	Inventories, net (note 6(f))	229,827	2	484,731	4	2230	Current income tax liabilities	198,335	1	154,619	1
1476	Other current financial assets (note 6(y) and 8)	297,554	2	390,060	3	2250	Current provisions (note 6(p))	270,772	2	322,699	3
1479	Other current assets	656,866	5	430,050	4	2280	Current lease liabilities (note 6(o))	41,401	-	35,299	-
		<u>13,795,953</u>	<u>91</u>	<u>10,805,708</u>	<u>91</u>	2399	Other current liabilities and accrued expenses (note 9)	371,801	2	325,730	3
								<u>7,268,508</u>	<u>48</u>	<u>5,714,613</u>	<u>48</u>
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	135,094	1	130,000	1	2530	Bonds payable (note 6(n) and (y))	770,519	5	-	-
1550	Investments accounted for using equity method (note 6(h))	122,755	1	-	-	2570	Deferred tax liabilities (note 6(r))	657,380	5	594,441	5
1600	Property, plant and equipment (note 6(j))	466,402	3	463,872	4	2580	Non-current lease liabilities (note 6(o))	64,348	-	74,965	1
1755	Right-of-use assets (note 6(k))	131,184	1	138,875	1	2640	Net defined benefit liabilities, non-current (note 6(q))	59,208	-	59,869	-
1760	Investment property, net (note 6(l))	238,280	2	240,767	2	2645	Guarantee deposits received	152	-	150	-
1840	Deferred tax assets (note 6(r))	182,457	1	173,994	1			<u>1,551,607</u>	<u>10</u>	<u>729,425</u>	<u>6</u>
1990	Other non-current assets (note 8)	46,470	-	39,864	-		Total liabilities	<u>8,820,115</u>	<u>58</u>	<u>6,444,038</u>	<u>54</u>
		<u>1,322,642</u>	<u>9</u>	<u>1,187,372</u>	<u>9</u>	Equity attributable to owners of parent (note 6 (s)):					
						3100	Ordinary shares	541,868	4	541,868	5
						3140	Advance receipts	450,544	3	-	-
						3200	Capital surplus	1,437,710	9	1,392,119	11
						3300	Retained earnings	2,855,485	19	2,698,781	22
						3400	Other equity	(139,461)	(1)	(129,185)	(1)
							Total equity attributable to owners of parent	<u>5,146,146</u>	<u>34</u>	<u>4,503,583</u>	<u>37</u>
						36XX	Non-controlling interests	1,152,334	8	1,045,459	9
							Total equity	<u>6,298,480</u>	<u>42</u>	<u>5,549,042</u>	<u>46</u>
							Total liabilities and equity	<u>\$ 15,118,595</u>	<u>100</u>	<u>11,993,080</u>	<u>100</u>
	Total assets	<u>\$ 15,118,595</u>	<u>100</u>	<u>11,993,080</u>	<u>100</u>						

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2020		2019	
		Amount	%	Amount	%
Operating Revenues:					
4521	Construction revenue (note 6(v))	\$ 13,586,228	97	12,085,519	95
4529	Less: allowances	(14,383)	-	(24,914)	-
		<u>13,571,845</u>	<u>97</u>	<u>12,060,605</u>	<u>95</u>
4110	Sales	295,090	2	516,240	4
4800	Other operating revenue	110,075	1	98,041	1
		<u>13,977,010</u>	<u>100</u>	<u>12,674,886</u>	<u>100</u>
Operating costs:					
5520	Construction cost (note 6(o), (q), (t) and 7(b))	11,154,624	80	9,691,442	77
5110	Costs of goods sold	228,212	2	365,643	3
5800	Other operating costs	75,668	-	45,462	-
		<u>11,458,504</u>	<u>82</u>	<u>10,102,547</u>	<u>80</u>
Gross profit from operations		<u>2,518,506</u>	<u>18</u>	<u>2,572,339</u>	<u>20</u>
Operating expenses (note 6(q) and (t)):					
6100	Selling expenses	112,500	1	120,129	1
6200	Administrative expenses	574,237	4	545,916	4
6300	Research and development expenses	181,177	1	146,433	1
6450	Expected credit loss	(50,470)	-	(18,651)	-
		<u>817,444</u>	<u>6</u>	<u>793,827</u>	<u>6</u>
Net operating income		<u>1,701,062</u>	<u>12</u>	<u>1,778,512</u>	<u>14</u>
Non-operating income and expenses:					
7050	Finance costs (note 6(x))	(7,168)	-	(5,254)	-
7100	Interest income (note 6(x))	31,674	-	40,425	1
7010	Other income (note 6(x))	25,044	-	21,727	-
7070	Shares of loss of associates accounted for using equity method, net	(999)	-	(61)	-
7020	Other gains and losses, net (note 6(x))	(55,507)	-	31,117	-
		<u>(6,956)</u>	<u>-</u>	<u>87,954</u>	<u>1</u>
Profit before income tax		<u>1,694,106</u>	<u>12</u>	<u>1,866,466</u>	<u>15</u>
7950	Less: Income tax expenses (note 6(r))	495,293	3	590,182	5
Profit		<u>1,198,813</u>	<u>9</u>	<u>1,276,284</u>	<u>10</u>
Other comprehensive income (loss):					
Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements effects on defined benefit plans	619	-	(11,300)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2,848	-	(577)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		<u>3,467</u>	<u>-</u>	<u>(11,877)</u>	<u>-</u>
Items that will be reclassified subsequently to profit or loss					
8360	Exchange differences on translation of foreign operations	(11,746)	-	(97,810)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(r))	809	-	24,349	-
		<u>(10,937)</u>	<u>-</u>	<u>(73,461)</u>	<u>(1)</u>
8300	Other comprehensive income, net of tax	<u>(7,470)</u>	<u>-</u>	<u>(85,338)</u>	<u>(1)</u>
8500	Total comprehensive income	<u>\$ 1,191,343</u>	<u>9</u>	<u>1,190,946</u>	<u>9</u>
Profit, attributable to:					
8610	Owners of parent	\$ 970,082	7	1,036,094	8
8620	Non-controlling interests	228,731	2	240,190	2
		<u>\$ 1,198,813</u>	<u>9</u>	<u>1,276,284</u>	<u>10</u>
Comprehensive income attributable to:					
8710	Owners of parent	\$ 959,229	7	968,003	7
8720	Non-controlling interests	232,114	2	222,943	2
		<u>\$ 1,191,343</u>	<u>9</u>	<u>1,190,946</u>	<u>9</u>
Earnings per share (Expressed in New Taiwan Dollars) (note 6(u))					
9750	Basic earnings per share	<u>\$ 17.90</u>		<u>19.16</u>	
9850	Diluted earnings per share	<u>\$ 16.55</u>		<u>18.94</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							Other equity					Non-controlling interests	Total equity
	Retained earnings							Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others	Total Other equity			
	Ordinary shares	Advance receipts	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings							
Balance at January 1, 2019	\$ 542,028	-	1,393,239	512,938	56,560	1,913,947	2,483,445	(63,237)	(5,573)	(776)	(69,586)	1,032,386	5,381,512	
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	-	104,902	-	(104,902)	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	12,249	(12,249)	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	-	(813,042)	(813,042)	-	-	-	-	-	(813,042)	
Share-based payment	(160)	-	(1,120)	-	-	-	-	-	-	776	776	-	(504)	
Profit for the year ended December 31, 2019	-	-	-	-	-	1,036,094	1,036,094	-	-	-	-	240,190	1,276,284	
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	-	(7,716)	(7,716)	(59,798)	(577)	-	(60,375)	(17,247)	(85,338)	
Total comprehensive income	-	-	-	-	-	1,028,378	1,028,378	(59,798)	(577)	-	(60,375)	222,943	1,190,946	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(209,870)	(209,870)	
Balance at December 31, 2019	\$ 541,868	-	1,392,119	617,840	68,809	2,012,132	2,698,781	(123,035)	(6,150)	-	(129,185)	1,045,459	5,549,042	
Balance at January 1, 2020	\$ 541,868	-	1,392,119	617,840	68,809	2,012,132	2,698,781	(123,035)	(6,150)	-	(129,185)	1,045,459	5,549,042	
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	-	103,609	-	(103,609)	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	60,377	(60,377)	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	-	(812,801)	(812,801)	-	-	-	-	-	(812,801)	
Changes in ownership interests in subsidiaries	-	-	(268)	-	-	-	-	-	-	-	-	-	(268)	
Cash capital increase	-	450,544	-	-	-	-	-	-	-	-	-	-	450,544	
Share-based payment	-	-	12,162	-	-	-	-	-	-	-	-	-	12,162	
Due to recognition of equity component of convertible bonds issued	-	-	33,697	-	-	-	-	-	-	-	-	-	33,697	
Profit for the year ended December 31, 2020	-	-	-	-	-	970,082	970,082	-	-	-	-	228,731	1,198,813	
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	-	(577)	(577)	(13,124)	2,848	-	(10,276)	3,383	(7,470)	
Total comprehensive income	-	-	-	-	-	969,505	969,505	(13,124)	2,848	-	(10,276)	232,114	1,191,343	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(125,239)	(125,239)	
Balance at December 31, 2020	\$ 541,868	450,544	1,437,710	721,449	129,186	2,004,850	2,855,485	(136,159)	(3,302)	-	(139,461)	1,152,334	6,298,480	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,694,106	1,866,466
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses (including investment property)	76,333	68,350
Amortization expenses	9,902	7,219
Expected credit gain	(50,470)	(18,651)
Interest expense	7,168	5,254
Interest income	(31,674)	(40,425)
Dividend income	(3,905)	-
Compensation cost arising from employee stock options	12,162	(504)
Shares of loss of associates accounted for using equity method	999	61
Net loss of financial liability at fair value through profit or loss	240	-
Disposal, property plant, equipment loss	217	142
Gain on disposal of non-current assets held for sale	-	(19,515)
Others	(7)	-
Total adjustments to reconcile profit (loss)	<u>20,965</u>	<u>1,931</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in current financial assets at fair value through profit or loss	(197,745)	137,857
Increase in current contract assets	(1,438,481)	(416,825)
Decrease (increase) in notes receivable	255,706	(129,652)
Increase in trade receivables	(399,937)	(313,770)
Decrease (increase) in inventories	254,904	(163,416)
Decrease (increase) in other financial assets	(122,119)	395,276
Total changes in operating assets	<u>(1,647,672)</u>	<u>(490,530)</u>
Changes in operating liabilities:		
Increase (decrease) in current contract liabilities	536,839	(494,749)
Increase (decrease) in notes payable	32,216	(111,727)
Increase in trade payables	426,498	348,920
Decrease in provisions	(53,339)	(21,414)
Increase in other current liabilities	28,578	54,215
Total changes in operating liabilities	<u>970,792</u>	<u>(224,755)</u>
Total adjustments	<u>(655,915)</u>	<u>(713,354)</u>
Cash inflow generated from operations	1,038,191	1,153,112
Interest received	30,962	41,883
Interest paid	(6,212)	(3,170)
Income taxes paid	(393,948)	(438,350)
Net cash flows from operating activities	<u>668,993</u>	<u>753,475</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(2,246)	(127,400)
Acquisition of investments accounted for using equity method	(116,980)	-
Proceeds from disposal of investments accounted for using equity method	-	747
Proceeds from disposal of non-current assets as held for sale	-	72,627
Acquisition of property, plant and equipment	(29,425)	(79,960)
Proceeds from disposal of property, plant and equipment	28	102
Acquisition of intangible assets	(15,148)	(8,191)
Acquisition of right-of-use assets	(356)	(1,030)
Increase in other non-current assets	(2,469)	(1,900)
Dividends received	3,905	-
Net cash flows used in investing activities	<u>(162,691)</u>	<u>(145,005)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,979,881	236,289
Decrease in short-term loans	(1,434,827)	(230,664)
Issuance of corporate bond	804,590	-
Increase (decrease) in guarantee deposits	2	66
Payment of lease liabilities	(41,458)	(36,129)
Cash dividends paid	(812,801)	(813,042)
Capital increase by cash	450,544	-
Change in non-controlling interests	(133,734)	(204,685)
Net cash flows from (used in) financing activities	<u>812,197</u>	<u>(1,048,165)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(27,568)</u>	<u>(110,083)</u>
Net increase (decrease) in cash and cash equivalents	1,290,931	(549,778)
Cash and cash equivalents at beginning of period	3,874,953	4,424,731
Cash and cash equivalents at end of period	<u>\$ 5,165,884</u>	<u>3,874,953</u>

See accompanying notes to consolidated financial statements.

Attachment 3: Audit Committee's Review Report

ACTER GROUP CORPORATION LIMITED

Audit Committee's Review Report

This company's 2020 financial statements have been approved by the Audit Committee and resolved by the board of directors. The foregoing financial statements have been audited by CPA of KPMG under commission to the board, and the auditor has issued an audit report relating to the financial statements.

This company's 2020 business report and earnings distribution proposal have been prepared and issued by the board of directors. The foregoing business report and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

2021 shareholders meeting of ACTER GROUP CORPORATION LIMITED

ACTER GROUP CORPORATION LIMITED

Chairman of the Audit Committee: Yeh, Hui-Hsin

February 25, 2021

Attachment 4: Comparison Table of the Ethical Corporate Management Operating Procedures and Conduct Guide

Article	After The Revision	Before The Revision
Article 6	<p>Responsible unit <u>and duties</u></p> <p>The general administration division of this company shall serve as the responsible unit (referred to below as “the responsible unit of this company”) <u>under the board of directors with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors, and shall handle revision, implementation, explanation and consulting matters in connection with this operating procedure and conduct guide, and shall enter and file reports, monitor compliance, be in charge of the following matters and report to the board of directors on a regular basis.</u></p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into this Corporation’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. <u>Analysing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly</u> Adopting <u>adopting</u> programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation’s operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 	<p>Responsible unit</p> <p>The general administration division of this company shall serve as the responsible unit (referred to below as “the responsible unit of this company”), and shall handle revision, implementation, explanation and consulting matters in connection with this operating procedure and conduct guide, and shall enter and file reports, monitor compliance, be in charge of the following matters and report to the board of directors on a regular basis.</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into this Corporation’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation’s operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.

Article	After The Revision	Before The Revision
	<p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p> <p>6-7. <u>Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.</u></p>	<p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>
Article 12	<p>Recusal</p> <p>If this company’s directors, officers or other stakeholders attending or present at the board meeting, or the juristic person represented, has any conflict of interest with any board resolution involving in a matter under discussion in the meeting, either the director personally or the juridical person represented by that director, officers or stakeholders shall state the important aspects of the conflict of interest in the meeting, and this conflict of interest may be injurious to the company’s interests, the director may not otherwise engage in discussion or voting, and must recues himself/herself from discussion and voting. Such a director absolutely may not exercise his/her voting rights on behalf of another director. The directors must maintain self-restraint, and may not support each other for improper purposes.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u></p>	<p>Recusal</p> <p>If this company’s directors, officers or other stakeholders attending or present at the board meeting, or the juristic person represented, has any conflict of interest with any board resolution involving either the director personally or the juridical person represented by that director, officers or stakeholders shall state the important aspects of the conflict of interest in the meeting, and this conflict of interest may be injurious to the company’s interests, the director may not otherwise engage in discussion or voting, and must recues himself/herself from discussion and voting. Such a director absolutely may not exercise his/her voting rights on behalf of another director. The directors must maintain self-restraint, and may not support each other for improper purposes.</p>

Article	After The Revision	Before The Revision
Article 14	Prohibition of disclosure of business secrets against unfair competition	Prohibition of disclosure of business secrets
Article 15	Prohibition of insider trading Prevention of damage caused by products and services to stakeholders	Prohibition of insider trading
Article 16	Prohibition against insider trading Nondisclosure agreement	Nondisclosure agreement
Article 17	External Compliance and announcement of the ethical corporate management policy <u>This company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> This company shall disclose its ethical corporate management policy in its internal regulations, annual report, company website and other publicity materials, and shall declare the policy at external activities, such as product meetings and investor conferences, to ensure that the suppliers, customers and other related business organizations and personnel clearly understand the company's ethical corporate management philosophy and regulations.	External announcement of the ethical corporate management policy This company shall disclose its ethical corporate management policy in its internal regulations, annual report, company website and other publicity materials, and shall declare the policy at external activities, such as product meetings and investor conferences, to ensure that the suppliers, customers and other related business organizations and personnel clearly understand the company's ethical corporate management philosophy and regulations.
Article 22	Handling of company employees' unethical conduct As an incentive to insiders for informing of unethical or unseemly conduct, this Corporation will grant a reward of more than NT\$6,000 depend on the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. This Corporation shall internally establish and publicly announce on its website, or provide through an independent mailbox, for Company insiders to submit reports. A whistleblower shall at least furnish the following information: 1. The whistleblower's name <u>and I.D. number (whistleblowing reports may be submitted anonymously)</u> , and an address, telephone number and e-mail address where it can be reached. 2. The informed party's name or other	Handling of company employees' unethical conduct As an incentive to insiders for informing of unethical or unseemly conduct, this Corporation will grant a reward of more than NT\$6,000 depend on the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. This Corporation shall internally establish and publicly announce on its website, or provide through an independent mailbox, for Company insiders to submit reports. A whistleblower shall at least furnish the following information: 1. The whistleblower's name and an address, telephone number and e-mail address where it can be reached. 2. The informed party's name or other

Article	After The Revision	Before The Revision
	<p>information sufficient to distinguish its identifying features.</p> <p>3. Specific facts available for investigation.</p> <p>Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.</p> <p>The responsible unit of this Corporation shall observe the following procedure in handling whistleblowing matters:</p> <ol style="list-style-type: none"> 1. Information shall be reported to the department head. However, if the rank or the file involves a director or a senior executive that shall report to an independent director. 2. The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department. 3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. 	<p>information sufficient to distinguish its identifying features.</p> <p>3. Specific facts available for investigation.</p> <p>Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.</p> <p>The responsible unit of this Corporation shall observe the following procedure:</p> <ol style="list-style-type: none"> 1. Information shall be reported to the department head. However, if the rank or the file involves a director or a senior executive that shall report to an independent director. 2. The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department. 3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
Article 24	Internal awareness sessions and Establishment — establishment of rewards/punishments and complaint system and disciplinary measures	Establishment of rewards/punishments and complaint system and disciplinary measures
Article 26	This operating procedure and conduct guide was drafted on December 6, 2011.This operating procedure and	This operating procedure and conduct guide was drafted on December 6, 2011.This operating procedure and

Article	After The Revision	Before The Revision
	conduct guide was revised on November 9, 2017. This operating procedure and conduct guide was revised on May 7, 2020.	conduct guide was revised on November 9, 2017.

Attachment 5: Comparison Table of the Code of Ethics

Article	After The Revision	Before The Revision
Article 4	Directors and managers of the company shall handle the company's business in an objective and efficient way and shall not take advantage of their duties to try to obtain undue benefit for themselves, their spouses, parents, children or other family members within second degrees of kinship.	Directors and managers of the company shall handle the company's business in an objective and efficient way and shall not take advantage of their duties to try to obtain undue benefit for themselves, their spouses, parents, children or other family members within second degrees of kinship.
Article 12	Directors and managers of the company shall promote ethical rules and encourage employees to report to managers, internal audit supervisors or other appropriate staff with sufficient information in case of doubt or discovery of any violation of legislation or this code. Once any reported case is confirmed, the company shall grant a reward in accordance with the "Employee Reward and Discipline Rules". The company shall adopt a concrete whistle-blowing system, allow anonymous reporting , and properly handle the above reported information in a confidential and responsible manner and shall make its best effort to protect the safety of the reporter from any form of threat. For any malicious and false report, the company shall give guidance and, if required, impose a sanction to correct the discipline. If any person believes that he or she is subject to any revenge, threat or harassment due to the above conduct, it shall be reported to the immediate supervisor or manager immediately and the company shall take immediate and proper measures.	Directors and managers of the company shall promote ethical rules and encourage employees to report to managers, internal audit supervisors or other appropriate staff with sufficient information in case of doubt or discovery of any violation of legislation or this code. Once any reported case is confirmed, the company shall grant a reward in accordance with the "Employee Reward and Discipline Rules". The company shall adopt a concrete whistle-blowing system and properly handle the above reported information in a confidential and responsible manner and shall make its best effort to protect the safety of the reporter from any form of threat. For any malicious and false report, the company shall give guidance and, if required, impose a sanction to correct the discipline. If any person believes that he or she is subject to any revenge, threat or harassment due to the above conduct, it shall be reported to the immediate supervisor or manager immediately and the company shall take immediate and proper measures.
Article 18	This code was established on 25 March 2011. This code was amended on 30 July 2015. This code was amended on 06 November 2020.	This code was established on 25 March 2011. This code was amended on 30 July 2015.

Attachment 6: Comparison Table of the Rules of Procedure for Board of Directors Meeting

Article	After The Revision	Before The Revision
Article 8	<p>The following matters of the company shall be subject to discussion by the board of directors:</p> <ol style="list-style-type: none"> 1. The company’s operational plan. 2. Annual financial report —and semi-annual financial report , with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA), and financial reports for the second quarter, audited and attested by a certified public accountant (CPA). 	<p>The following matters of the company shall be subject to discussion by the board of directors:</p> <ol style="list-style-type: none"> 1. The company’s operational plan. 2. Annual financial report and semi-annual financial report , with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
Article 22	<p>These rules were established on June 16, 2009.</p> <p>These rules were amended on February 27, 2020.</p> <p><u>These rules were amended on November 6, 2020.</u></p>	<p>These rules were established on June 16, 2009.</p> <p>These rules were amended on February 27, 2020.</p>

Attachment 7: The commitments undertaken by the company and subsidiary due to listing of subsidiary Acter Technology Integration Group Co., Ltd in China and impact on the finance, business, and shareholders' equity of the Company or subsidiary

1. All of the commitments undertaken by the company and subsidiary due to listing of subsidiary Acter Technology Integration Group Co., Ltd (hereinafter referred to as “Acter China”) in China are as follows.

Item	Acter	SHI (Note)	Acter China
1. Letter of Commitment on the liquidation restriction, voluntary lock-in and reduction of shares holdings.	V	V	
2. Letter of Commitment on stabilizing the stock price within three years after its listing.	V	V	V
3. Letter of Commitment on taking measures to report timely on the diluted returns.	V	V	V
4. Letter of Commitment on the avoidance of competition.	V	V	
5. Letter of Commitment on compliance and reduction of related party transactions.	V	V	
6. Letter of Commitment on the avoidance of occupying funds.	V	V	
7. Letter of Commitment on the independence of the listed company.	V	V	
8. Letter of Commitment of the prospectus is free from false records, misleading contents and major omission.	V	V	V
9. Restraint measures for the failed performance of the public commitments.	V	V	V
10. Letter of Commitment on the policy of profit distribution.			V
11. Letter of Commitment regarding advance disclosure (ensure that the pre-disclosed electronic version of the application file shall be completely consistent with the content of the reserved original, the file is true, accurate, and complete, there are no false records, misleading statements or major omissions, and there is no unauthorized modification without written instructions.)			V
12. Letter of Commitment that the issuer guarantees it will not affect or interfere with the opinions of Public Offering Review Committee: (1) During the application period for this issuance, the issuer shall not directly or indirectly provide gifts and other benefits such as funds, objects, etc. to the committee members, and guarantees that it will not use improper means to influence the committee’s judgment on the issuer. (2) The issuer guarantees that it will not interfere with the review work of the committee by any means. (3) The issuer guarantees that when accepting inquiries from the committee members at the committee meeting, the content of its statements will be true, objective, accurate, and concise, and not contain content irrelevant to the issuance. (4) If the issuer violates the above guarantee, it will bear all legal liabilities arising therefrom.			V

Item	Acter	SHI (Note)	Acter China
13. Letter of Commitment on the policy of dividend distribution.	V	V	
14. Letter of Commitment to pay the social security and housing reserve fund.	V	V	
15. Letter of Commitment on undertaking responsibilities related to illegal construction or contracting.	V	V	
16. Letter of Commitment on responsibility for defects in real estate.	V	V	
17. Letter of Commitment on the issuer's tax compliance.	V	V	

Note : SHI is the abbreviation of Sheng Huei International Co., Ltd

2. With the aims of expanding China business, attracting and motivating local talents, increasing the company's reputations and enhancing its global competitiveness, subsidiary Acter China is planning to apply for listing in China. The successful listing is expected to expand the electrical and mechanical engineering business of the clean room, which will bring positive effects to the business development of Acter China and create added value to its reinvestments. The listing application has a positive effect on the company and its subsidiaries' financial, business, or shareholders' equity, and has no significant impact after comprehensive evaluation with 3.
3. Impacts on the company and SHI's finance, business or shareholders' equity caused by signing the commitment are explained as follows:
- (1) For "Letter of Commitment on the avoidance of competition": According to the relevant regulations in China and the requirements of the China Securities Regulatory Commission, the company and SHI promise that (A) Except for investing in Acter China, it has not directly or indirectly engaged in any business within or outside China that has horizontal competition or potential horizontal competition with Acter China and its subsidiaries; (B) In the future, it will not directly or indirectly engage in any business or activity that constitutes horizontal competition or potential horizontal competition with the business operated by Acter China and its subsidiaries, and will not directly or indirectly control, acquire, or merge with companies or other economic organizations that compete or may compete with the business operated by Acter China and its subsidiaries; (C) If Acter China expands its main products and main business scope in the future, the company and other companies controlled by the company at that time guarantee that it will not compete with the business expanded by Acter China. The listing of Acter China is expected to bring significant positive effects to the company, including increase the company's reputation and use the market capitals attracted by Acter China to expand the market share in China. Although the commitment restricts the future development areas where the company will engage in the business operated by Acter China, considering that the company is the parent company and the

company and its subsidiary will still has 64% shareholding after Acter China's listing, the company can also enjoy the expansion benefits. This would be a win-win strategy for the company and all its shareholders. It has a positive effect on the company and its subsidiaries' financial, business, or shareholders' equity and will not happen significant impact.

- (2) For “Letter of Commitment on the liquidation restriction, voluntary lock-in and reduction of shares holdings,” “Letter of Commitment on stabilizing the stock price within three years after its listing,” “Letter of Commitment on taking measures to report timely on the diluted returns,” “Restraint measures for the failed performance of the public commitments,” “Letter of Commitment of the prospectus is free from false records, misleading contents and major omission,” “Letter of Commitment on the policy of dividend distribution,” “Letter of Commitment to pay the social security and housing reserve fund,” “Letter of Commitment on undertaking responsibilities related to illegal construction or contracting,” “Letter of Commitment on responsibility for defects in real estate,” “Letter of Commitment on the issuer' s tax compliance”: The company has no hypocrisy and concealment regarding the listing-related operations of its subsidiary, and the commitments have already specified the scope or upper limit, so these commitments have no significant impact on the company and its subsidiaries' finance, business or shareholders' equity.
- (3) For “Letter of Commitment on compliance and reduction of related party transactions,” “Letter of Commitment on the avoidance of occupying funds,” “Letter of Commitment on the independence of the listed company” : Since the subsidiary is an independent entity, its finances and personnel are independent, and there are procedures for related transactions, loans, and endorsement guarantees to follow, so these commitments have no significant impact on the company and its subsidiaries' finances, businesses or shareholders' equity.
- (4) If the above commitments are adjusted due to regulatory requirements or actual needs, the chairman is authorized by the Board of Directors to decide.

Attachment 8: Comparison Table of the Rules of Procedure for Shareholder Meetings

Article	After The Revision	Before The Revision
Article 5	<ol style="list-style-type: none"> 1. Unless otherwise provided by law, the company's shareholder meetings shall be convened by the board of directors. 2. The company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the company and its shareholder services agent as well as being distributed on-site at the meeting place. 3. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. 4. Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit 	<ol style="list-style-type: none"> 1. Unless otherwise provided by law, the company's shareholder meetings shall be convened by the board of directors. 2. The company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the company and its shareholder services agent as well as being distributed on-site at the meeting place. 3. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. 4. Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit

Article	After The Revision	Before The Revision
	<p>distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.</p> <p>5. If the meeting notice has specified the re-election of directors and the date they assumed their duties, as the re-election is completed on the shareholders' meeting, resolution of assuming date should not be changed by means of an extraordinary motion or other means in the same meeting.</p> <p>6. A shareholder holding 1 percent or more of the total number of issued shares may submit to the company a proposal for discussion at a regular shareholders meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal proposed for urging the company to promote public interests or fulfill its social responsibilities may still be included by the board of directors.—In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the</p>	<p>distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.</p> <p>5. If the meeting notice has specified the re-election of directors and the date they assumed their duties, as the re-election is completed on the shareholders' meeting, resolution of assuming date should not be changed by means of an extraordinary motion or other means in the same meeting.</p> <p>6. A shareholder holding 1 percent or more of the total number of issued shares may submit to the company a proposal for discussion at a regular shareholders meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal proposed for urging the company to promote public interests or fulfill its social responsibilities may still be included by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p>

Article	After The Revision	Before The Revision
	<p><u>corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u></p>	
Article 11	<ol style="list-style-type: none"> Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards. The chairman shall call the meeting to order at the appointed meeting time <u>and announce the relevant information such as the number of non-voting rights and the number of shares present.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned. 	<ol style="list-style-type: none"> Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards. The chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.
Article 16	<ol style="list-style-type: none"> The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, <u>and the list of unsuccessful directors and supervisors and the number of voting rights they have obtained.</u> 	<ol style="list-style-type: none"> The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.
Article 22	<p>These rules were established on 3 May 2005. These rules were amended on 27 May</p>	<p>These rules were established on 3 May 2005. These rules were amended on 27 May</p>

Article	After The Revision	Before The Revision
	2020. These rules were amended on 28 May 2021.	2020.

Attachment 9: Comparison Table of the Procedures for Election of Directors

Article	After The Revision	Before The Revision
Article 1	<p>To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.</p>	<p>To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.</p>
Article 4	<p>The cumulative voting method will be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</p> <p>Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Arbitrary addition of supporting documents for other eligibility requirements is disallowed while reviewing the eligibility, education and experience of prospective directors, and presence of individual conditions under Article 30 of the Company Act or not and review results shall be provided to shareholders for their reference in order to select competent directors. Any shareholder holding 1% or more of the total number of outstanding shares issued by the company and the board of directors may submit a roster of director candidates to the company, and , and, upon evaluation by the board of directors that all candidates so nominated are qualified director candidates, submit it to the shareholders' meeting for elections. The shareholders shall elect directors from among the nominees listed in the roster of director candidates. Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act.</p>	<p>The cumulative voting method will be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</p> <p>Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Arbitrary addition of supporting documents for other eligibility requirements is disallowed while reviewing the eligibility, education and experience of prospective directors, and presence of individual conditions under Article 30 of the Company Act or not and review results shall be provided to shareholders for their reference in order to select competent directors. Any shareholder holding 1% or more of the total number of outstanding shares issued by the company and the board of directors may submit a roster of director candidates to the company, and , and, upon evaluation by the board of directors that all candidates so nominated are qualified director candidates, submit it to the shareholders' meeting for elections. The shareholders shall elect directors from among the nominees listed in the roster of director candidates. Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act.</p>

Article	After The Revision	Before The Revision
Article 5	<p>When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>
Article 9	<p>Filling in the ballot</p> <p>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic person shareholder, the name of the governmental organization or juristic person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective</p>	<p>Filling in the ballot</p> <p>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective</p>

Article	After The Revision	Before The Revision
	representative shall be entered.	representative shall be entered.
Article 10	<p>Invalid circumstances of the ballot</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by the board of directors <u>a person with the right to convene</u>. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match <u>does not conform to the director candidate list</u>. 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted. 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual. 	<p>Invalid circumstances of the ballot</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by the board of directors. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match. 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted. 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
Article 14	<p>This procedure was established on 3 May 2005.This procedure was amended on 26 May 2017. <u>This procedure was amended on 28 May 2021.</u></p>	<p>This procedure was established on 3 May 2005.This procedure was amended on 26 May 2017.</p>

Attachment 10: The qualification of the nominated

Category	Name	Education	Experience
Director	Liang, Chin-Li	<ul style="list-style-type: none"> - EMBA, National Chiao Tung University - Department of Electrical Engineering - Refrigerating and Air-conditioning, Taipei Tech 	<p>Current Position</p> <ul style="list-style-type: none"> - Chairman, Acter Group Corporation Limited - Chairman, Her Suo Eng., Co., Ltd. - Chairman, Nova Technology Corp. - Chairman, Acter Technology Integration Group Co., Ltd - Director, Sheng Huei (Shenzhen) Engineering Co., Ltd. - Director, Shenzhen Dingmao Trade Co., Ltd. - Director, Sheng Huei International Co., Ltd. - Director, Acter International Limited - Director, New Point Group Limited - Director, Nova Technology Singapore Pte., Ltd. - Director, Nova Technology Malaysia Sdn. Bhd. - Supervisor, Winmax Technology Corp. - Director and CEO, Enrich Tech Co., Ltd. - Chairman, Winmega Technology Corp. - Supervisor, Suzhou Winmax Technology Corp. - Director, Novatech Engineering & Construction Pte. Ltd. - Director, Sheng Huei Engineering Technology Co., Ltd. - Chairman, Acter Technology Co., Ltd. - Director, Waste Recovery Technology Inc.
Director	Yang, Jung-Tang	<ul style="list-style-type: none"> - EMBA, Tunghai University - Department of Electrical Engineering - Refrigerating and Air-conditioning, Taipei Tech 	<p>Current Position</p> <ul style="list-style-type: none"> - Director, Acter Group Corporation Limited - Chairman, Xiang-Hui Development Co., Ltd. - Chairman, Johnwell Co., Ltd. - Director, Sheng Huei International Co., Ltd. - Director, New Point Group Limited - Director, Season Arts Education Foundation. - Supervisor, Suzuka Chemical Co., Ltd.
Director	Hu, Tai-Tsen	<ul style="list-style-type: none"> - EMBA, Tunghai University - Department of Electrical Engineering - Refrigerating and Air-conditioning, Taipei Tech 	<p>Current Position</p> <ul style="list-style-type: none"> - Director, Acter Group Corporation Limited - Director, Sheng Huei International Co., Ltd. - Director, New Point Group Limited - Director, Lishan Hotel Corporation <p>Experience</p> <ul style="list-style-type: none"> - Honorary Member, The Phi Tau Phi Scholastic Honor Society of the Republic of China - Lecturer, Department of Electrical Engineering, National Chin-Yi University of Technology - Executive Director, Taiwan Refrigerator and Air-Conditioning Association of Republic of China - Jury for Technical Examination of Refrigeration and Air Conditioning Repair Technician by the Ministry of Internal Affairs

Category	Name	Education	Experience
Independent Director	Yeh, Hui-Hsin	<ul style="list-style-type: none"> - Bachelor Degree in Accounting, Tunghai University 	<p>Current Position</p> <ul style="list-style-type: none"> - Independent Director, Acter Group Corporation Limited - Representative, Wei Chin CPAs & Co. - Independent Director, Data Image Corporation - Independent Director, Simula Technology Inc. - Director, Wei Xin Financial Consultancy Co., Ltd. <p>Experience</p> <ul style="list-style-type: none"> - Partner CPA, Ernst & Young Global Limited
Independent Director	Wang, Mao-Rong	<ul style="list-style-type: none"> - Master, Institute of Management of Technology, National Chiao Tung University - Refrigerating Air-conditioning Division, College of Mechanical & Electrical Engineering, National Taipei University of Technology 	<p>Current Position</p> <ul style="list-style-type: none"> - Independent Director, Acter Group Corporation Limited - Person in Charge, MJ Energy Master - Director, J-POWER SYSTEM ENGINEERING CO., LTD. - Director, Compresses Air Energy Saving Co., Ltd. <p>Experience</p> <ul style="list-style-type: none"> - Consultant of Energy-saving Department and Senior Manager, Delta Electronics, Inc. - Industrial Technology Research Institute Laboratory Director and Promotion Manager - Great United Technicians Firm, Person in Charge - Top 10 Outstanding Engineer Award (Year 1996) - Refrigeration and air-conditioning engineer (Senior Examinations) - Adjunct Lecturer, National Chin-Yi University of Technology
Independent Director	Yang, Qian	<ul style="list-style-type: none"> - Doctor of Computer Science, Washington University, USA - Master of Computer Science, Georgia Institute of Technology, USA - Master of Management Science, National Chiao Tung University - Bachelor of Electronics Engineering, National Chiao Tung University 	<p>Current Position</p> <ul style="list-style-type: none"> - Independent Director, Acter Group Corporation Limited - Honorary Professor, Institute of Business and Management, National Chiao Tung University - Member, Employee Complaint Deliberation Committee, Industrial Technology Research Institute - Supervisor, Chia Chang Co., Ltd. - Independent Director, ASPEED Technology Inc. - Independent Director, Associated Industries China, Inc. - Independent Director, Mars Semiconductor Corp. <p>Experience</p> <ul style="list-style-type: none"> - Professor and Dean, Institute of Business and Management, National Chiao Tung University - Consultant, Chairman Office, Hon Hai

Category	Name	Education	Experience
			Precision Inc. Co., Ltd. – Member, Endowment Fund Committee, National Chiao Tung University – Member, Operation Fund Committee, National Chiao Tung University
Independent Director	Huang, Tzu-Pei	– Master, School of Law, National Chiao Tung University – Bachelor of Financial Law, College of Law, National Taiwan University	Current Position – Lawyer, Meridian Attorneys-at-Law Experience – Consultant lawyer, Taipei City Government – Consultant lawyer, Taiwan Union of Nurses Association – Consultant lawyer, labor unions of Cheng Hsin General Hospital – Arbitrator, Chinese Arbitration Association, Taipei – Committee member, Parliament Coordination Committee of Taiwan Bar Association

**Attachment 11: Items of competitive conduct in which the directors
(including independent directors) are permitted to engage**

Title	Name	Items of competitive conduct
Director	Liang, Chin-Li	<ul style="list-style-type: none"> - Chairman, Her Suo Eng., Co., Ltd. - Chairman, Nova Technology Corp. - Chairman, Acter Technology Integration Group Co., Ltd - Director, Sheng Huei (Shenzhen) Engineering Co., Ltd. - Director, Shenzhen Dingmao Trade Co., Ltd. - Director, Sheng Huei International Co., Ltd. - Director, Acter International Limited - Director, New Point Group Limited - Director, Nova Technology Singapore Pte., Ltd. - Director, Nova Technology Malaysia Sdn. Bhd. - Supervisor, Winmax Technology Corp. - Director and CEO, Enrich Tech Co., Ltd. - Chairman, Winmega Technology Corp. - Supervisor, Suzhou Winmax Technology Corp. - Director, Novatech Engineering & Construction Pte. Ltd. - Director, Sheng Huei Engineering Technology Co., Ltd. - Chairman, Acter Technology Co., Ltd. - Director, Waste Recovery Technology Inc. - Director, RAYZHER INDUSTRIAL CO., LTD.
Director	Yang, Jung-Tang	<ul style="list-style-type: none"> - Chairman, Xiang-Hui Development Co., Ltd. - Chairman, Johnwell Co., Ltd. - Director, Sheng Huei International Co., Ltd. - Director, New Point Group Limited - Director, Season Arts Education Foundation. - Supervisor, Suzuka Chemical Co., Ltd.
Director	Hu, Tai-Tsen	<ul style="list-style-type: none"> - Director, Sheng Huei International Co., Ltd. - Director, New Point Group Limited - Director, Lishan Hotel Corporation
Independent Director	Yeh, Hui-Hsin	<ul style="list-style-type: none"> - Representative, Wei Chin CPAs & Co. - Independent Director, Data Image Corporation - Independent Director, Simula Technology Inc. - Director, Wei Xin Financial Consultancy Co., Ltd.
Independent Director	Wang, Mao-Rong	<ul style="list-style-type: none"> - Person in Charge, MJ Energy Master - Director, J-POWER SYSTEM ENGINEERING CO., LTD. - Director, Compresses Air Energy Saving Co., Ltd.
Independent Director	Yang, Qian	<ul style="list-style-type: none"> - Honorary Professor, Institute of Business and Management, National Chiao Tung University - Member, Employee Complaint Deliberation Committee, Industrial Technology Research Institute - Supervisor, Chia Chang Co., Ltd. - Independent Director, ASPEED Technology Inc. - Independent Director, Associated Industries China, Inc. - Independent Director, Mars Semiconductor Corp.
Independent Director	Huang, Tzu-Pei	<ul style="list-style-type: none"> - Lawyer, Meridian Attorneys-at-Law

XI.Appendices

Appendix 1:Articles of Incorporation

Articles of Incorporation

Chapter 1 General

Article 1. The company is organized and incorporated as a company limited by stock in accordance with the Company Law and is named ACTER GROUP CORPORATION LIMITED.

Article 2. The company operates the following businesses:

1. E501011 Water Pipe Construction
2. E599010 Pipe Lines Construction
3. E601010 Electric Appliance Construction
4. E601020 Electric Appliance Installation
5. E602011 Frozen and Air-conditioning Engineering
6. E603010 Cables Construction
7. E603040 Fire Fighting Equipments Construction
8. E603050 Cybernation Equipments Construction
9. E603090 Illumination Equipments Construction
10. E603100 Electric Welding Construction
11. E606010 Electricity Equipments Checking and Maintenance
12. E801010 Building Maintenance and Upholstery
13. E801020 Doors and Windows Construction
14. E801030 Interior Light Rigid Frame Construction
15. EZ05010 Apparatus Installation Construction
16. EZ09010 Static Electricity Protecting and Clearing Construction
17. EZ15010 Warming and Cooling Maintainance Construction
18. J101050 Sanitary and Pollution Controlling Services
19. J101060 Wastewater (Sewage) Treatment
20. IG03010 Energy Technical Services
21. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3. The company may provide guarantees to other persons and is not restricted by Article 16 of the Company Law. The rules for endorsement and guarantee shall be implemented following approval by the shareholder meeting. The same procedures shall be applicable to any amendment thereof.

Article 4. The total amount of investment made by the company in other invested companies shall not be restricted by Article 13 of the Company Law. The board of directors is authorized to make such investment.

Article 5. The company's headquarters is located in Taichung City, Taiwan. As required, the board of directors may pass a resolution to establish domestic and overseas branch offices following approval by the competent authority.

Article 6. The company shall make public announcements in accordance with the Company Law and other relevant laws and regulations.

Chapter 2 Shares

Article 7. The company's total capital is fixed at NT\$720,000,000, divided into 72 million shares, at NT\$10 per share, to be issued in several batches. The board of directors may pass resolutions to issue the unissued shares in accordance with actual needs.

Article 8. The company may issue shares without share certificates, provided that a securities depository institution shall be engaged for registration.

Article 9. Matters related to the shares of the company shall be handled in accordance with relevant legislations and rules of the competent authority.

Article 9-1. Treasury stocks bought back by the company in accordance with the Company Act, new shares issued by the company, employee stock warrants or the restricted employee shares can be granted to employees of parents or subsidiaries of the company whom meeting certain conditions set by the company.

Chapter 3 Shareholder Meetings

Article 10. Shareholder meetings are divided into regular meetings and special meetings. Regular meetings shall be convened once a year within 6 months from the end of each accounting year. Special meetings shall be convened in accordance with the law as required. The rules for convening shareholder meetings shall be in accordance with relevant legislations.

Article 11. Any shareholder who cannot attend a shareholder meeting may issue a proxy to designate a representative to attend the meeting on its behalf in accordance with Article 177 of the Company Law.

Article 12. The chairman shall serve as the chairman of shareholder meetings. If the chairman is absent, the chairman will designate one director to serve such duty. If no designation is made, one person shall be elected from among the directors to serve the duty.

Article 13. Shareholders of the company enjoy one vote per share, provided that no voting right shall be enjoyed under the circumstances as provided in Article 179 of the Company Law.

Article 14. Unless otherwise provided by law, shareholder resolutions shall be passed by the majority of shareholder voting rights in a meeting that is attended by shareholders representing the majority of total outstanding shares.

Article 15. Resolutions made in shareholder meetings shall be recorded in the minutes and signed and affixed thereon by the chairman. The minutes shall be sent to all shareholders within 20 days after the meeting. The minutes shall summarize the proceedings, and the results of the discussions shall be kept permanently. The shareholder attendance sheets and proxies shall be kept for at least one year.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

Article 15-1 Any proposal to cancel and publicly issue company shares shall be made to the shareholder meeting for resolution. This provision shall not be modified during the period when the company's shares are listed in the OTC market or stock exchange (Gre-Tai market).

Chapter 4 Directors

Article 16. The company has 5 to 9 directors, all to be elected from among the nominees listed in the roster of director candidates under the candidate nomination system by the shareholder meeting for terms of 3 years. The same person may be elected again upon expiry of the term.

The directors of the company shall be elected by single selection, registered and accumulated election method. Each share is entitled to the same number of voting rights as the number of directors to be elected. The votes may be cast to one single candidate or be distributed among several candidates. The candidates receiving more votes shall be elected directors. If this method requires amendment, it shall be carried out in accordance with Article 172 of the Company Law and a table of comparison for such method shall be included in the agenda for convening the meeting.

The total number of registered shares of the company that may be held by all directors shall be determined by the standard established in accordance with the "Guidelines for Shareholding Percentage by Directors and Supervisors of Publicly Traded Companies and Audit Practice" promulgated by the Financial Supervisory Commission of the Executive Yuan.

Article 16-1. The company may purchase liability insurance during the terms of directors to cover the liability for compensation borne by them in accordance with the law within the scope of their duties.

Article 16-2. The company may have independent directors among the above-mentioned number of directors in accordance with Article 14-2 of the Securities Transaction Act. The number of independent directors will not less than three in number and not less than one-fifth of the total number of directors. They shall be elected under the candidate nomination system under Article 192-1 of the Company Law. The professional qualifications, shareholding, restrictions on serving other functions, determination of independence and other compliance matters with regard to independent directors shall be in accordance with relevant rules of the securities competent authority.

Article 17. If one-third or more of the director's seats are vacant, or if all independent directors are dismissed, the board of directors shall convene a special shareholder meeting within 60 days to fill the vacancies.

Article 18. The directors shall organize the board of directors. A chairman shall be elected from among the directors by majority of the directors attending a meeting that is attended by 2/3 or more of the directors to execute all matters of the company.

Article 18-1. The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the company. The chairman is authorized to handle all significant matter of the company, but chairman right still restrict by Company's Corporate Charter, resolution of shareholder's meeting and director meeting.

Article 19. Unless otherwise provided by Company Law, board meetings shall be convened by the chairman. If the chairman is on leave or cannot perform the duty due to any reason, the representative shall be in accordance with Article 208 of the Company Law.

Article 19-1. The agenda of the board meeting shall be included in the convening notice and sent to all directors 7 days in advance. However, a meeting may be convened at any time in case of an emergency. The notice may be sent in writing, by email or fax.

Article 20. Unless otherwise provided for in other law, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting, the others director may accept the appointment to act as the proxy referred to in the preceding paragraph of one other director only. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 21. Board meetings shall be recorded in the minutes and signed with a seal affixed by the chairman. The minutes shall be distributed to all directors within 20 days after the meeting. Minutes shall summarize the proceedings and results of the meeting and shall be kept permanently together with the attendance sheets and proxies by attending directors.

Article 22. The company is configured with an audit committee in compliance with the requirements established under Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all independent directors. The Committee or its members are in charge of exercising functions as supervisors indicated in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 23. The expenses entailed through exercising their duties by the directors of the company shall be determined by the board of directors based on the common standard of the industry.

Chapter 5 Managers and Staff

Article 24. The company may have managers, whose hiring, dismissal and remuneration shall be in accordance with Article 29 of the Company Law.

Article 25. The company may hire consultants or important staff by board resolution.

Chapter 6 Closing

Article 26. The board of directors shall prepare the following statements at the end of the company's accounting year, submit them to the Audit Committee for inspection 30 days prior to the general shareholder meeting and then submit them to the general shareholder meeting for recognition:

(1) Business report, (2) financial statements, (3) profit distribution or loss compensation proposal.

Article 26-1. When distributing the surplus profits for each fiscal year, the company shall first offset its losses of previous years and set not less than three percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to employees; and then set not more than five percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to directors. The "surplus profits" here refers to the balance of pre-tax profit before deducting the employees' and directors' compensation. The distribution of dividends and bonuses in whole or in part that be paid in cash or compensation to employees and directors shall be resolved with a majority vote of directors attended by at least two-thirds of total directors and reported to the shareholder's meeting.

Compensation to employees can be distributed in the form of shares or in cash and employees of parents or subsidiaries of the company meeting certain conditions set by the company can receive it as well.

Article 27. The company's profit after tax following annual closing, if any, shall be distributed in the following order:

1. Compensate loss;
2. 10% legal reserve, unless the amount of legal reserve has reached the total capital amount;
3. Special reserve in accordance with law and the competent authority.
4. Certain parts of the balance shall be included into accumulated undistributed profit from previous year based on the company's current environment, growth stage and long term financial planning. The board of directors will distribute the remaining amount as shareholder dividend based on the capital situation and economic development of the current year. Cash dividend shall account for 10% or more of the total shareholder dividend and shall be proposed by the board of directors and submitted to the shareholder meeting for resolution.

Chapter 7 Miscellaneous

Article 28. The enforcement rules of the company's articles of association shall be further determined by the board of directors.

Article 29. Any matter not provided for under these articles of association shall be in accordance with the Company Law or other legislations.

Article 30. These articles of association were established on 10 February, 1979.

First amendment was made on 23 July, 1981.

Second amendment was made on 7 February, 1983.

Third amendment was made on 8 September, 1984.

Fourth amendment was made on 29 July, 1991.

Fifth amendment was made on 15 December, 1993.

Sixth amendment was made on 21 January, 1994.

Seventh amendment was made on 27 July, 1995.

Eighth amendment was made on 28 March, 1997.

Ninth amendment was made on 15 November, 1999.

Tenth amendment was made on 1 December, 2001.

Eleventh amendment was made on 12 March, 2002.

Twelfth amendment was made on 5 April, 2002.

Thirteenth amendment was made on 20 June, 2002.

Fourteenth amendment was made on 3 May, 2004.

Fifteenth amendment was made on 29 October, 2004.
Sixteenth amendment was made on 3 May, 2005.
Seventeenth amendment was made on 10 November, 2008.
Eighteenth amendment was made on 16 June, 2009.
Nineteenth amendment was made on 4 November, 2009.
Twentieth amendment was made on 10 June, 2010.
Twenty first amendment was made on 15 June, 2011.
Twenty second amendment was made on 18 June, 2012.
Twenty third amendment was made on 28 May, 2015.
Twenty fourth amendment was made on 31 May, 2016.
Twenty fifth amendment was made on 26 May, 2017.
Twenty sixth amendment was made on 30 May, 2018.
Twenty seventh amendment was made on 29 May, 2019.

ACTER GROUP CORPORATION LIMITED

Chairman: Liang, Chin-Li

Appendix 2: Rules of Procedure for Shareholder Meetings < Before the revision >

Rules of Procedure for Shareholder Meetings

Article 1. Basis and Purpose of Establishment

To establish a strong governance system and sound supervisory capabilities for the company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2. Scope

The company's shareholder meetings shall be carried out in accordance with these rules.

Article 3. Definition

Shareholders referred to in these rules mean the shareholders themselves and the holders of proxies issued by shareholders.

Article 4. The rules of procedures for the company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 5. Convening Shareholder Meetings and Meeting Notices

1. Unless otherwise provided by law, the company's shareholder meetings shall be convened by the board of directors.
2. The company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the company and its shareholder services agent as well as being distributed on-site at the meeting place.
3. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement.
4. Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of

competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

5. If the meeting notice has specified the re-election of directors and the date they assumed their duties, as the re-election is completed on the shareholders' meeting, resolution of assuming date should not be changed by means of an extraordinary motion or other means in the same meeting.
6. A shareholder holding 1 percent or more of the total number of issued shares may submit to the company a proposal for discussion at a regular shareholders meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal proposed for urging the company to promote public interests or fulfill its social responsibilities may still be included by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.
7. Prior to the book closure date before a regular shareholders meeting is held, the company shall publicly announce that it will receive shareholder proposals in writing or by way of electronic transmission, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
8. Prior to the date for issuance of notice of a shareholders meeting, the company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 6. Attending Shareholder Meetings by Proxy and Authorization

1. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the company and stating the scope of the proxy's authorization.
2. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received

earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

3. After a proxy form has been delivered to the company, if the shareholder intends to attend the meeting in person or to exercise voting rights in writing or by electronic means, a written notice of proxy cancellation shall be submitted to the company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 7. Principles determining the time and place of a shareholders meeting

The venue for a shareholders meeting shall be the premises of the company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 8. Preparation of Documents such as Attendance Book

1. The company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
2. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
3. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The company may not freely add other supporting documents that shareholders attending meetings should present. Solicitors soliciting proxy forms shall also bring identification documents for verification.
4. The company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
5. The company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.
6. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 9. The chairman and non-voting participants of a shareholders meeting

1. If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint

one of the managing directors to act as chairman, or, if there are no managing directors, one of the directors shall be appointed to act as chairman. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chairman.

2. When a managing director or a director serves as chairman, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chairman.
3. The Chairman shall preside over shareholders' meetings called for by the Board of Directors in person and more than half of all Board directors plus at least one member from respective functional committees shall attend the meetings and document their attendance in shareholders' meeting minutes.
4. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chairman the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.
5. The company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.
6. The tasks of the chairman are as follows:
 - (1) Calling the general meeting to order at the time scheduled and adjourning or recessing the meeting, and presiding over the meeting in accordance with the procedure.
 - (2) Maintaining the order at the meeting place and ensuring the compliance with the Rules of Procedure.
 - (3) Admitting the status of spokesman.
 - (4) Referring the motions.
 - (5) Calling to discuss and vote of proposals in order and announcing the voting results.
 - (6) Signing the meeting minutes and relevant documents.
 - (7) Replying to all the parliamentary inquiries and determining the question of privilege and point of order.

Article 10. Audio or Video Recording of Shareholder Meetings Proceedings

The company shall make full audio or video recordings of the proceedings of the shareholders' meetings and retain them for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 11. Calculation of Shares Represented in Shareholder Meeting and Proceeding with the Meeting

1. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards.

2. The chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.
3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.
4. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 12.Discussions of Proposals

1. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Relevant proposals (including the extraordinary motions or amendment of the existing proposals) shall be resolved case by case. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
2. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
3. The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
4. The chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed, call for a vote, and arrange an adequate time to vote.

Article 13.Shareholder speech

1. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.

2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
3. Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.
4. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.
5. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
6. After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Article 14. Calculation of voting shares and recusal system

1. Voting at a shareholders meeting shall be calculated based the number of shares.
2. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
3. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
4. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
5. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 15. Voting of Resolution, Voting Supervision and Vote Counting

1. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares.
2. When the company holds a shareholders' meeting, it shall adopt electronic voting and may allow the shareholders to exercise voting rights in writing. When voting rights are exercised in writing or by electronic means, the method of exercise shall be specified in the shareholders

meeting notice. A shareholder exercising voting rights in writing or by electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

3. A shareholder intending to exercise voting rights in writing or by electronic means under the preceding paragraph shall deliver a written declaration of intent to the company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
4. After a shareholder has exercised voting rights in writing or by electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised in writing or by electronic means shall prevail. When a shareholder has exercised voting rights both in writing or by electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.
5. Except as otherwise provided in the Company Act and in the company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The results of approval, rejection, and abstention votes among the shareholders shall be released on the public information observatory on the day the shareholders' meeting is completed. If voting is done on a case-by-case basis for proposals, at the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders.
6. An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all attending shareholders after solicitation by the chairman. If there is any objection, the agenda item shall be put to a vote by casting ballots in accordance with the foregoing paragraph.
7. If a shareholder of a company whose shares have been issued in public holds shares for others, such shareholder may exercise his/her/its voting power separately.
8. When there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
9. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the company.
10. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the

results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 16.Election Matters

1. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.
2. Where re-election of all directors is effected, by a resolution adopted by a shareholders' meeting, prior to the expiration of the term of office of existing directors, and in the absence of a resolution that existing directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged in advance. The aforesaid resolution of re-election shall be attended by shareholders who represent more than one-half of the total number of issued and outstanding shares
3. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 17.Meeting Records and Signature Matters

1. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
2. The company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System.
3. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, a summary of the deliberations, and the voting results (including the weighted voting). When an election of directors is held, the number of weighted votes each candidate wins shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the company.

Article 18.Public Disclosure

1. On the day of a shareholders meeting, the company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.
2. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the company shall upload the content of such resolution to the

Market Observation Post System within the prescribed time period.

Article 19.Maintaining order at the meeting place

1. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
2. The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
3. At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the company, the chairman may prevent the shareholder from so doing.
4. When a shareholder violates the rules of procedure and defies the chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 20.Recess and resumption of a shareholders meeting

1. When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
2. If the meeting venue is no longer available for continued use and not all of the items on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
3. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.
4. When a shareholder meeting is ended, no shareholder shall elect another chairman to continue the meeting either in the same location or in a different location.

Article 21.Implementation

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Article 22.Establishment and Amendment Dates

These rules were established on 3 May 2005.

These rules were amended on 16 June 2009.

These rules were amended on 15 June 2011.

These rules were amended on 18 June 2012.

These rules were amended on 19 June 2013.

These rules were amended on 28 May 2015.

These rules were amended on 27 May 2020.

Appendix 3: Rules of Procedures for Election of Directors < Before the revision >

Procedures for Election of Directors

Article 1. Purpose and the basis

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2. The abilities that must be present in the board

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The company's Board of Directors shall consider adjusting the composition of the Board of Directors based on the performance assessment results.

Article 3. Qualifications for the independent directors

The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 4.Electoral machinery of directors

The cumulative voting method will be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Arbitrary addition of supporting documents for other eligibility requirements is disallowed while reviewing the eligibility, education and experience of prospective directors, and presence of individual conditions under Article 30 of the Company Act or not and review results shall be provided to shareholders for their reference in order to select competent directors. Any shareholder holding 1% or more of the total number of outstanding shares issued by the company and the board of directors may submit a roster of director candidates to the company, and , and, upon evaluation by the board of directors that all candidates so nominated are qualified director candidates, submit it to the shareholders' meeting for elections. The shareholders shall elect directors from among the nominees listed in the roster of director candidates. Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act.

Article 5.By-election mode for the shortfall of directors

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6.Preparation for the ballots

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7.Number of directors and elected mode

The number of directors and supervisors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 8.Vote monitoring and counting

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9.Filling in the ballot

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 10.Invalid circumstances of the ballot

A ballot is invalid under any of the following circumstances :

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 11.Count of votes

The ballot boxes shall be opened right after the voting session is completed. The Chair shall announce the voting result, including the list of elected directors and the number of votes in their favor.

Ballot examiners shall seal and sign the ballot papers indicated under election information in the preceding paragraph and keep them properly for at least one year. If a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, however, the abovementioned documents must be retained until the end of the litigation.

Article 12.Elected notice

The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 13.Implementation

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 14.Date of Establishment and Amendment

This procedure was established on 3 May 2005.

This procedure was amended on 16 June 2009.

This procedure was amended on 15 June 2011.

This procedure was amended on 28 May 2015.

This procedure was amended on 26 May 2017.

Appendix 4: Rules of Ethical Corporate Management Operating Procedures and Conduct Guide < Before the revision >

Ethical Corporate Management Operating Procedures and Conduct Guide

Article 1. Goal

Based on the principles of fairness, honesty, credibility and transparency in business activities, in order to implement an ethical corporate management policy and actively take precautions against unethical conduct, this company has therefore drafted this operating procedure and conduct guide in accordance with the "Ethical Corporate Management Best Practice Principles for TSE/GTSM Listed Companies" and the applicable laws and regulations of the places where this Company and its business groups and organizations operate so as to provide specific guidelines for business operations carried out by the employees of this company.

Article 2. Scope

This operating procedure and conduct guide shall be applicable to this company's subsidiaries, financial groups who have directly or indirectly donated over 50% of accumulated funds, other organizations that possess actual controlling power, and legal persons including business groups and organizations.

Article 3. Applicable targets

The employees of this company mentioned in this operating procedure and conduct guide refer to this company, business groups, and the organization's directors, managers, employees, mandatary and persons who possess actual controlling power.

Any improper benefits that are provided, promised, requested, or received by the employees of this company by means of a third party are presumed to be actions carried out by the employees of this company.

Article 4. Unethical conduct

The unethical conduct mentioned in this operating procedure and conduct guide refer to cases in which the employees of this company, in order to obtain or maintain benefit during the course of work, directly or indirectly provide, receive, promise, or request any improper benefit, or engage in conduct that violates integrity, breaches contract responsibilities, or is unlawful.

The targets of the above conduct include public servants, political candidates, political parties or persons who hold a party post, any public/private enterprises or organizations and their directors, supervisors, managers, employees, persons who possess actual controlling power, and other related parties.

Article 5. Types of benefit

The benefits mentioned in this operating procedure and conduct guide shall refer to money, gifts, presents, commissions, positions, services, preferential treatment, sales commissions, facilitating payments, entertainment, hospitality, and other things of value in any form or name.

Article 6. Responsible unit

The general administration division of this company shall serve as the responsible unit (referred to below as "the responsible unit of this company"), and shall handle revision, implementation, explanation and consulting matters in connection with this operating procedure and conduct guide, and shall enter and file reports, monitor compliance, be in charge of the following matters and report to the board of directors on a regular basis.

1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 7. Prohibition of providing or receiving improper benefit

Except for the following situations, the employees of this company shall follow the "Ethical Corporate Management Best Practice Principles for TSE/GTSM Listed Companies" and the regulations of this operating procedure and conduct guide, and shall handle matters in accordance with relevant procedures prior to directly or indirectly providing, receiving, promising or requesting any benefits as specified in Article 5.

1. Compliance with local etiquette, practices and customs due to business needs when visiting at home or abroad, receiving overseas guests, promoting business and performing communication/coordination.
2. Participation in or invitation of others to normal social activities that are based on normal social etiquette, for business purposes and promotion of relationship.
3. Invitation of clients to or participation at invitation in certain business activities and factory visits motivated by business needs, and in which, the payment method, number of participants, hotel grade and activity period is clearly specified.
4. Participation in folk celebration activities that are held publicly and are open to the public.
5. Incentives, relief, consolation and appreciation payments from an executive.
6. Money, property or other benefit is provided to or received from people other than family members or close friends, and the market value is under NT\$10,000; or properties gifted to numerous employees of this company by a third party, and the total market value is under NT\$10,000. However, when gifted properties come from the same source or are provided to the same person in the same year, the total market value shall not exceed NT\$50,000.
7. A gifted property received as a result of engagement, wedding, birth, moving, employment, promotion, retirement, resignation, loss of a job, injury/illness, or death of the recipient, spouse or immediate family member, where the market value is under NT\$100,000.
8. Other circumstances that comply with the regulations of this company.

When the market value of a received property exceeds the company's limitation, the company shall make a concession for the case if there is a legitimate reason, and internal discussion, approval and documentation have been performed by the company.

Article 8. Handling procedures for cases in which improper benefit has been received

Except for the situations mentioned above, such matters shall be handled in accordance with the following procedures when the employees of this company find themselves provided or promised any benefits as specified in Article 5 from a third party:

1. When the provider or promiser does not have a professional conflict of interest with the receiver, the latter shall report to his/her direct supervisor or department supervisor, and, when necessary, report the case to the responsible unit of this company within three days of receiving the gift.
2. When the provider or promiser does have a professional conflict of interest with the receiver, the latter shall return or refuse the gift, and report to his/her direct supervisor or department supervisor, and report to the responsible unit of this company. When the receiver cannot return the gift, he/she shall entrust the matter to the responsible unit of this company within three days of receiving the gift.

The above-mentioned professional conflict of interest with the receiver shall refer to one of the following situations:

1. A relationship involving business dealings, supervision or granting of awards or subsidies.
2. The party is currently seeking or establishing or has already established a contractual relationship involving contracting, sales, or other matters.
3. Other situations involving the company's decisions, actions or inaction, or resulting from favorable or unfavorable conditions.

Based on the nature and value of the benefit in paragraph 1, the responsible unit of this company shall propose either to return or pay for the gift, make the gift a public possession, donate the gift to a charity or other appropriate suggestion, and then proceed after reporting to the CEO for approval.

Article 9. Prohibition of facilitating payments and handling procedures

This company shall not provide or promise any facilitating payments.

When a facilitating payment is provided or promised as a result of a threat or an intimidation, the employees of this company shall record the course of the matter and report to the direct supervisor or department supervisor, and also notify the responsible unit of this company.

The responsible unit of this company shall immediately handle the matter after receiving the foregoing notification, and shall investigate relevant matters to reduce the risk of reoccurrence, and shall immediately notify a judicial agency when unlawful matters and behavior are involved.

Article 10. Handling procedures for political contributions

The following regulations shall be followed when this company provides political contributions. Such political contributions shall not be released until the matter is reported to the CEO for approval, and the responsible unit of this company shall be notified as well; when the amount exceeds NT\$500,000, it shall be reported to the board of directors for approval:

1. Make sure the political contribution meets the relevant political contribution regulations of the contribution receiver's country, including limits and requirements governing the form of political contributions.
2. Written records shall be kept of relevant decisions.

3. Political contributions shall be entered in accounts in accordance with legal regulations and relevant accounting procedures.
4. When providing a political contribution, business dealings, application for permission, and handling of matters that involve the company's interests with a government unit shall be avoided.

Article 11. Handling procedures for charitable donations and sponsorships

When a charitable donation or sponsorship is provided by this company, it shall be handled in accordance with the following rules, shall be reported to the CEO and the responsible unit of this company, and must be reported to the board of directors for approval when the amount exceeds the standard amount specified in the "External Donation Guidelines."

1. Shall meet local regulations of the place of business.
2. Written records shall be kept of relevant decisions.
3. The recipient of a charitable donation must be a charitable organization, and the donation may not be used as a disguise for a bribe.
4. Because the gain from a sponsorship should be clear and reasonable, the receiver may not be involved in business with this company or may not have conflict of interest with the employees of this company.
5. After a charitable donation or sponsorship has been made, this company shall confirm the use of the money is consistent with the purpose of the donation.

Article 12. Recusal

If this company's directors, officers or other stakeholders attending or present at the board meeting, or the juristic person represented, has any conflict of interest with any board resolution involving either the director personally or the juridical person represented by that director, officers or stakeholders shall state the important aspects of the conflict of interest in the meeting, and this conflict of interest may be injurious to the company's interests, the director may not otherwise engage in discussion or voting, and must recuses himself/herself from discussion and voting. Such a director absolutely may not exercise his/her voting rights on behalf of another director. The directors must maintain self-restraint, and may not support each other for improper purposes.

If an employee of this company's discovers a conflict of interest involving either the employee personally or the juridical person represented by that employee while performing work on behalf of the company, or may cause his/her self, spouse, parent, child, or other interested party to obtain improper benefit, that employee shall report the matter to his/her supervisor and the responsible unit of this company, and the person's direct supervisor shall provide appropriate guidance.

The employees of this company shall not use the company's resources in business activities outside of the company, and the employees' working performance shall not be affected due to participation of business activities outside of the company.

Article 13. Organization and responsibilities of confidentiality mechanisms

This company shall establish a responsible unit. This unit shall be responsible for drafting and implementing procedures for managing, preserving, and maintaining the confidentiality of this Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall regularly examine implementation results to ensure the continued effectiveness of the confidentiality procedures.

All personnel of this Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Company unrelated to their individual duties.

Article 14. Prohibition of disclosure of business secrets

This Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 15. Prohibition of insider trading

This Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

This Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports, or sufficient facts to determine, that this Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, this Company shall, within three days, recall those products or suspend the services, verify the facts and present a review and improvement plan.

The responsible unit of this Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 16. Nondisclosure agreement

The employees of this company shall follow the regulations of the Securities and Exchange Act, and shall not use known but undisclosed information in insider trading, and, to prevent others from using undisclosed information for insider trading, shall not disclose such information to others. Organizations or personnel who participate in this company's merger, split, acquisition, assignment of shares, important memorandum, strategic alliance, other business cooperation plan or important contract shall sign a nondisclosure agreement with this company, pledging that it/he/she will not disclose known business secrets or other important information of this company to others, and will not use this information without the permission of this company.

Article 17. External announcement of the ethical corporate management policy

This company shall disclose its ethical corporate management policy in its internal regulations, annual report, company website and other publicity materials, and shall declare the policy at external activities, such as product meetings and investor conferences, to ensure that the suppliers, customers and other related business organizations and personnel clearly understand the company's ethical corporate management philosophy and regulations.

Article 18. Ethical corporate management assessment prior to the establishment of a business relationship

This company must assess the legitimacy and ethical corporate management policy of agents, suppliers, customers and others who have a business relationship with the company, and check any records of unethical conduct, to ensure that the business operating methods of such parties is fair and transparent, and that the parties will not request, provide or receive bribes.

When conducting the above assessment, this company may employ appropriate examination procedures to investigate a company's business partners based on the following items in order to know the state of that party's ethical corporate management:

1. The country, location of the business operations, organizational structure, management policy and payment location.
2. Has an ethical corporate management policy been drafted? What is the policy's state of implementation?
3. Is the location of this company's business operations in a high corruption risk country?
4. Is the business of this company classified as a high corruption risk business?
5. The long-term operating situation and goodwill of this company.
6. Ask the business partners of this company about their opinions concerning the company.
7. Has this company been involved in any unethical conduct, such as bribery or illegal political contributions?

Article 19. Explanation of the ethical corporate management policy to business partners

During any business actions, the employees of this company must explain the company's ethical corporate management policy and relevant regulations to business partners, and shall explicitly refuse improper benefits that are directly or indirectly provided, promised, requested or received.

Article 20. Avoidance of business transactions with unethical enterprises

This company shall avoid conducting business with agents, suppliers, customers and other business partners that are involved in unethical conduct, and shall immediately terminate a business relationship when it is found that a business/cooperating partner has unethical conduct, in which case the company shall be listed as a refused customer/partner in order to ensure this company's realization of its ethical corporate management policy.

Article 21. The ethical corporate management policy shall be specified in contacts

When signing a contract, this company shall fully grasp the other party's ethical corporate management situation, and shall include the compliance of the ethical corporate management policy of this Company in the contract; the following items shall be specified in contracts:

1. When either party becomes aware that personnel have violated contractual terms prohibiting of acceptance of commissions, facilitating payments, or other improper benefits, that party shall immediately truthfully report the identity of the employee, the method of provision, promise, requirement, or receipt, and the amount or other improper benefit to the other party, and shall provide relevant evidence and cooperate with the other party's investigation. If either party suffers damage because of this, that party may request a certain percentage of the contract amount from the other party as compensation for damages, and may deduct such an amount from the payable contract price.
2. When one party is involved in unethical conduct while engaging in business activities, the other party may unconditionally terminate or cancel the contract at any time.

3. Explicit and reasonable payment details, including payment location, method, and relevant tax regulations that shall be complied with, must be drafted.

Article 22. Handling of company employees' unethical conduct

As an incentive to insiders for informing of unethical or unseemly conduct, this Corporation will grant a reward of more than NT\$6,000 depend on the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

This Corporation shall internally establish and publicly announce on its website, or provide through an independent mailbox, for Company insiders to submit reports. A whistleblower shall at least furnish the following information:

1. The whistleblower's name and an address, telephone number and e-mail address where it can be reached.
2. The informed party's name or other information sufficient to distinguish its identifying features.
3. Specific facts available for investigation.

Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

The responsible unit of this Corporation shall observe the following procedure:

1. Information shall be reported to the department head. However, if the rank or the file involves a director or a senior executive that shall report to an independent director.
2. The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of this Corporation shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 23. Handling of a third party's unethical conduct involving the company

When the employees of this company discover a third party engaging in unethical conduct involving the company and this conduct constitutes illegal matters or actions, the company shall notify the judicial/prosecutorial authority about the facts of the matter. When a civil service agency or civil servant is involved in the unethical conduct, the company shall immediately notify and government ethics agency.

Article 24. Establishment of rewards/punishments and complaint system and disciplinary measures

The responsible unit of this Company shall organize awareness sessions each year and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.

This company shall include the ethical corporate management in its employee performance evaluations and human resources policy, and shall establish an explicit and effective rewards/punishments and complaint system.

When an employee of this company is involved in a serious violation of ethical conduct, the company shall dismiss or lay off this employee in accordance with relevant regulations or the company's personnel regulations.

This company shall disclose information, such as the position and name of the employee who violates ethical conduct, violation date, violation content and handling procedures in the company's internal website.

Article 25. Implementation

This operating procedure and conduct guide shall be implemented after the resolution and approval by more than half of all audit committee members and submitted to the board of directors for further approval, and shall be presented to the shareholders' meeting, and the same shall apply to revisions.

When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

Article 26. Drafting and revision dates

This operating procedure and conduct guide was drafted on December 6, 2011.

This operating procedure and conduct guide was revised on February 26, 2013.

This operating procedure and conduct guide was revised on April 29, 2014.

This operating procedure and conduct guide was revised on July 30, 2015.

This operating procedure and conduct guide was revised on November 9, 2017.

Appendix 5: Rules of Code of Ethics < Before the revision >

Code of Ethics

Article 1. Purpose of Establishment

This code is established in order to guide the actions by the directors and managers of the company to comply with ethical standards and to allow interested parties of the company to better understand the company's code of conduct.

Article 2. Scope of Application

This code is applicable to directors and managers of the company.

Managers referred to in the previous section include general manager and equivalent level, deputy general manager and equivalent level, assistance manager and equivalent level, supervisor of finance department, supervisor of accounting department and other persons who are authorized to management business and sign on behalf of the company.

Article 3. Honest and Ethical Conduct

The directors and managers of the company shall perform their obligations with an honest attitude and in compliance with professional standards, including handling factual or obvious conflicts of interest between personal matters and their duties in a fair manner.

Article 4. Prevention of Conflict of Interest

Directors and managers of the company shall handle the company's business in an objective and efficient way and shall not take advantage of their duties to try to obtain undue benefit for themselves, their spouses, parents, children or other family members within second degrees of kinship.

In order to prevent conflict of interest, any capital lending, endorsement and guarantee or significant transaction of asset between the company and the above persons or their affiliated enterprises shall be subject to prior approval by the board of directors and shall be carried out in accordance with relevant legislations and company rules. Product purchase (sale) shall be based on best interest of the company and conducted in accordance with relevant rules of the company's procurement and sales cycles.

No manager or any of the affiliates shall serve in the same department as any employee who is a spouse or family member within second degrees of kinship, nor shall they serve any duties that should be managed separately under the internal control mechanism. If there is any special need for the above employee who is a spouse or family member within second degrees of kinship to serve the function, report to and approval by the board of directors shall be required.

Article 5. Prohibition against Insider Trading

Directors and managers of the company shall comply with legislations against insider trading and other securities legislations about stock transactions and handling of trade secrets. No relevant securities transactions shall be engaged while holding significant and unpublished information.

Article 6. Prohibition against Gift, Bribery or Undue Interest

In performing their duties, no director or manager of the company shall request, offer, deliver or receive any form of gift, entertainment, kickback, bribe or other undue benefit for personal, company or third party interest, except if the gift or entertainment is allowed by social customs or company rules.

Article 7. Avoid Opportunity to Seek Private Interest

When the company faces an opportunity to seek profit, directors and managers shall maintain or increase the fair and legal interest that may be obtained by the company.

No director or manager shall use the company's property, information or take advantage of their due to seek private interest. Other than in accordance with rules of company law or articles of association, there shall be no conduct in competition with the company.

Article 8. Confidentiality Responsibility

Unless otherwise authorized or published in accordance with law, the directors and managers of the company shall be obliged to keep confidential information of the company itself and its clients of product purchase (sale) and shall not use such information to seek private interest for themselves or third parties. Information to be kept confidential includes information that has not been published and that may be used by competitors or that may cause damage to the company or client after disclosure.

Article 9. Fair Transaction

The company is dedicated to market competition through outstanding operational management and services and shall not seek results through illegal or unethical measures. Directors and managers of the company shall treat the company's clients of product purchase (sale), competitors and employees fairly and shall not make any untruthful statement about any important matter or obtain undue profit in other unfair transaction manners through manipulation, hiding or misuse of information obtained through their duties.

Article 10.any Asset

The company's assets shall be protected and shall only be used properly for legal commercial purposes of the company. Directors and managers have the responsibility to protect the company's assets and shall ensure that they are effectively and legally used in the company's business, avoiding any impact on the company's profit making capability due to theft, negligence or waste.

Article 11.Compliance with Legislations

Directors and managers of the company shall comply with rules under the Company Law, Securities Transaction Act and other legislations.

Article 12.In Violation of Code of Conduct

Directors and managers of the company shall promote ethical rules and encourage employees to report to managers, internal audit supervisors or other appropriate staff with sufficient information in case of doubt or discovery of any violation of legislation or this code. Once any reported case is confirmed, the company shall grant a reward in accordance with the "Employee Reward and Discipline Rules".

The company shall adopt a concrete whistle-blowing system and properly handle the above reported information in a confidential and responsible manner and shall make its best effort to protect the safety of the reporter from any form of threat. For any malicious and false report, the company shall give guidance and, if required, impose a sanction to correct the discipline. If any person believes that he or she is subject to any revenge, threat or harassment due to the above conduct, it shall be reported to the immediate supervisor or manager immediately and the company shall take immediate and proper measures.

Article 13.Sanctions

Any violation of this code by any director of the company shall be reported to the board of directors or shareholder meeting for review. Sanctions shall be imposed based on the gravity of the matter. If any manager of the company violates this code, other than significant cases which shall be reported to the board of directors, sanction shall be imposed in accordance with the "Employee Reward and Sanction Rules" of the company. However, in case of significant violation of relevant legislation, the company shall pursue civil and criminal legal liability to protect the interest of the company and the shareholders.

Following confirmation of the conduct in violation of this code under the previous section and sanction measures, information such as the date of violation, reason for violation, violated code and handling situation shall be disclosed on the Market Observation Post System in time and in accordance with the legislations.

Article 14. Complaint System

If any director or manager of the company violates this code, if evidence is available allowing for immediate complaint, relevant supporting information shall also be sent to appropriate staff, the board of directors or shareholder meeting (principle of avoidance to be respected in case of violation) for discussion and final resolution.

Violating Department	Department to Receive Complaint	Department to Determine Sanction
Manager (excluding General manager)	General Manager	General Manager, Board of Directors
General manager	Board of Directors	Board of Directors
Directors	Other Directors	Shareholder's Meeting

Article 15. Procedure of Waiver

If any waiver is necessary for any director or manager of the company from compliance with this code, a board resolution shall be required. Information such as the date of board meeting approving the waiver, objections or reservations of independent directors, applicable duration of the waiver, reason for applying the waiver and rules for application of the waiver shall be disclosed timely on the Market Observation Post System in order to allow shareholders to evaluate whether the board resolution was appropriate, to prevent the occurrence of any unauthorized or doubtful waiver compliance rules and to ensure that any waiver from compliance with the code is subject to proper control mechanism to protect the company's interest.

Article 16. Method of Disclosure

This code shall be disclosed on the company website, in the annual report, prospectus and Market Observation Post System. The same shall be applicable to any amendment.

Article 17. Implementation

This code shall be implemented after approval by more than half of all audit committee members and submitted to the board of directors for further approval, and then report to the shareholders' meeting. The same shall be applicable to any amendment.

Article 18. Date of Establishment and Amendment

This code was established on 25 March 2011.

This code was amended on 30 July 2015.

Appendix 6: Rules of Procedure for Board of Directors Meeting< Before the revision >

Rules of Procedure for Board of Directors Meeting

Article 1.Purpose and Basis of Establishment

These rules are established in accordance with the “Board Meeting Rules for Publicly Traded Companies” and Article 31 of the “Practical Rules for Governance of Publicly Traded Companies” in order to establish good governance system for the company’s board of directors, sound supervision functions and reinforced management functions.

Article 2.Scope of Rules

Unless otherwise provided by relevant legislations or the company’s articles of association, meeting rules of the company’s board of directors shall be in accordance with these rules.

Article 3.Convening and Notice of Meetings

The company’s board of directors shall meet at least once every quarter. The agenda shall be specified when a meeting is convened and notified to all directors seven days in advance. However, a meeting may be convened at any time in case of emergency.

The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.

In case of any event under Section 1, Article 8, unless there is an emergency or justifiable reason, the matter shall be included in the agenda for convening the meeting and shall not be raised as motion.

Article 4.Principles for Meeting Location and Time

Board meetings shall be held in the company’s location and within the company’s business hours or any other location or time that allows the directors to be present and appropriate for convening a board meeting.

Article 5.Meeting Notice and Meeting Information

For regular board meetings convened by the company, the meeting affairs department designated by the board of directors shall seek each director’s opinions in advance in order to plan and prepare the agenda for the board meeting. All directors shall be notified according to the time provided under Section 1, Article 3 to attend the meeting. Audit supervisors shall also be invited to attend the meeting. Sufficient meeting information shall be provided and sent together with the notice to convene the meeting.

If any director deems that the meeting information is not sufficient, it may request the meeting affairs division to supplement the information. If any director deems that the proposal information is not sufficient, the board of directors may resolve to postpone the discussion.

Article 6.Preparation of Documents such as Attendance Sheet and Director Attendance by Proxy

When the company convenes a board meeting, an attendance sheet shall be prepared for signatures by attending directors. Directors shall attend board meetings in person. Any director who cannot attend the meeting in person may appoint another director as his representative to attend the meeting in accordance with the articles of association. Any director attending the meeting through video conference shall be deemed to have participated in the meeting in person.

When a director appoints another director to attend the board meeting on his behalf, a proxy shall be issued each time and the scope of authorization for the items under the agenda shall be specified. A proxy holder shall represent no more than one person.

Article 7.Agenda

The agenda of a regular board meeting shall include at least the following:

1. Report Items:
 - (1) Records and execution status of last meeting.
 - (2) Report about important financial activity.
 - (3) Report about internal audit activity.
 - (4) Other important report items.
2. Discussion Items:
 - (1) Discussion items reserved since last meeting.
 - (2) Discussion items of this meeting.
3. Motions.

Article 8.Matters subject to Board Discussion

The following matters of the company shall be subject to discussion by the board of directors:

1. The company's operational plan.
2. Annual financial report and semi-annual financial report , with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Procedure for significant financial activities such as acquisition or disposal of asset, derivative product transaction, capital lending, endorsement or guarantee established or amended in accordance with Article 36-1 of the Securities Transaction Act.
5. Placement, offer or private placement of securities in the nature of share entitlement.
6. Dismissal of finance, accounting or internal audit supervisor.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.

8. Significant matters subject to shareholder resolution or board resolution or rules by the competent authority in accordance with Article 14-3 of the Securities Transaction Act and other legislations or articles of association.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the "Regulations Governing the Preparation of Financial Reports by Securities Issuers." The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.

At least one independent director shall attend the board meeting in person. For any matter that shall be submitted to the board of directors for approval under paragraph 1, all independent directors shall attend the meeting in person. If an independent director is unable to attend in person, it shall appoint another independent director to attend on his behalf. If the independent director has any objection or reservation opinion, it shall be included in the minutes of the board meeting. If the independent director cannot attend the meeting in person to express his objection or reservation opinions, unless there is justifiable reason, a written opinion shall be provided in advance and recorded in the minutes of the board meeting.

Article 9. Authorization Principle

Other than matters subject to discussions by the board of directors of the company under Section 1, Article 8, the chairman may be authorized by the board of directors in accordance with law or articles of association to exercise the duties of the board of directors during recess period of the board of directors. The scope of authorization is as follows:

1. Duties that may be authorized by the board of directors in accordance with law.
2. Provisions under the "Delegation of Authority Table" of the company.
3. In accordance with the company's management charter, system and rules.
4. Appointment of directors and supervisors of subsidiaries.
5. Determination of record date for capital increase or capital decrease and record date for cash dividend distribution.
6. All other important company matters that are not restricted by law, articles of association, shareholder resolution and board resolution, provided that matters involving company's important interest shall still be resolved by the board of directors.

Article 10. Chairman and Representative

Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

If the chairman is on leave or cannot exercise the duty due to any reason, the vice chairman shall perform such duty. If there is no vice chairman or if the vice chairman is also on leave or cannot exercise the duty due to any reason, the chairman shall appoint one managing director to serve the duty. If there is no managing director, one director shall be appointed. If the chairman does not make an appointment, one person shall be elected from among the managing directors or directors.

Article 11. Reference Information and Attendees

When the company convenes a board meeting, the meeting affairs department designated by the board of directors shall prepare relevant information for reference at any time by participating directors.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants, to report about the business status of the company, to answer questions raised by the directors and to assist directors to understand the current status of the company and make appropriate resolutions. When necessary, certified public accountants, attorneys, or other professionals retained by the company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

Article 12. Procedure for Convening Meeting

The chairman of the board of directors shall announce the start of the meeting when the majority of all directors attend the meeting upon the meeting time.

However, if less than the majority of all directors attend the meeting upon the meeting time, the chairman may declare a postponement of the meeting. There shall be no more than two postponements. If the quorum is still not met after two postponements, the chairman shall re-convene the meeting in accordance with Section 1, Article 3 and shall not make any provisional resolution for the issues to be discussed in such board meeting.

All directors referred to above means directors actually in place.

Article 13. Discussion

Discussions in board meetings shall be carried out in accordance with the agenda fixed in the meeting notice. However, the order can be changed by agreement by the majority of attending directors. Without the consent by the majority of attending directors, the chairman shall not announce the end of the meeting.

During the proceeding of the board meeting, if the number of directors present is less than the majority of the attending directors and if a director present proposes a suspension, the chairman shall declare the suspension of the meeting and section 2 of the previous articles shall be applied mutatis mutandis. During the meeting, the chairman may declare recess or negotiation in consideration of the time.

After the attending directors speak, the chairman may give feedback, designate relevant staff to provide feedback or designate a professional attending the meeting to provide relevant and required information.

If any director speaks repeatedly about the same issue or if the opinion is outside the scope of the issue under discussion, affecting opinions to be stated by other directors or interfering with the proceedings of the meeting, the chairman may prevent such director from speaking.

Article 14. Voting Method

When the chairman considers that an issue has been duly discussed and that voting may take place, he may declare the end of discussion and propose voting.

When an issue is voted upon, if the chairman consults the attending directors and if there is no objection, the resolution shall be deemed passed with the same effect as passing a resolution by voting. If there is any objection after the chairman's consultation, the issue shall be subject to voting.

Voting shall take place in one of the following manners chosen by the chairman. If any attendee has any objection, the decision shall be made based on majority opinion:

1. Voting by show of hands or voting device.
2. Voting by verbal statement.
3. Voting by ballots.
4. Voting method chosen by the company.

Directors present under the previous two sections shall not include any director who is not allowed to exercise voting right in accordance with Section 1, Article 16.

Article 15. Voting, Vote Supervision and Vote Calculation Method

Unless otherwise provided by the Securities Transaction Act and the Company Law, resolutions by the board of directors of the company shall be approved by a majority of directors present in a meeting that is attended by the majority of all directors.

If any proposal is amended or replaced by an alternative proposal, the chairman shall decide the voting order together with the original proposal. If one of the proposals has already been passed, the

other proposals shall be deemed denied and no further voting shall be necessary.

If voting for an issue requires vote supervision and vote calculation staff, the chairman shall designate such staff, provided that the vote supervision staff shall be a director.

The result of voting shall be reported and recorded immediately.

Article 16.System of Interest Avoidance

Directors and other corporate representatives shall have a high degree of self discipline. During review of the following agendas, they may state the important aspects of the interested party relationship at the respective meeting and reply to questions but may not participate in the discussion or voting, should excuse themselves during discussion and voting and shall not exercise voting rights on behalf of other directors:

1. A director or a juristic person that the director represents is an interested party in relation to an agenda item and therefore prejudice the interest of the company.
2. The director deems avoidance necessary.
3. Avoidance is resolved by the board of directors.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

Regarding board resolutions and directors who shall not exercise voting rights in accordance with the two preceding section, Section 2, Article 180 of the Company Law shall be applied mutatis mutandis in accordance with Section 4, Article 206.

Article 17.Meeting Records and Signatures

Discussions in board meetings shall be recorded into the minutes. The minutes shall record the following matters in detail:

1. Term (or year) of the meeting, time and location;
2. Chairman's name;
3. Director attendance status, including names and numbers of attendees, those on leave and those absent;
4. Names and titles of attendees;
5. Name of minutes taker;
6. Report matters;
7. Discussion matters: Resolution method and result of each proposal, summary opinions by directors, experts and other persons, the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal, objection or reservation opinions with records or written

statements, and written opinions of independent directors issued in accordance with Section 5, Article 8.

8. Motion: Name of proposer, resolution method and result of proposal, summary opinions of directors, experts and other persons, the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal, and objection or reservation opinions with records or written statements.

9. Other matters to be recorded.

The meeting affairs staff of the board of directors shall properly compile and record meeting reports.

If any of the following matters is discussed in a board meeting, in addition to recording it in the minutes, public announcement shall also be made on the information declaration website designated by the competent authority within 2 days from the date of the board meeting:

1. Matters for which independent director has any objection or reservation opinion with record or written statement.
2. Matters not approved by the audit committee of any company that has an audit committee and approved by 2/3 of all directors.

The attendance sheet of the board of directors is part of the minutes and should be maintained properly during the validity period of the company.

Minutes shall be signed with seal affixed by the chairman and minute keeper of the meeting and distributed to each director within 20 days from the meeting. Minutes shall be included as important files of the company and shall be maintained properly and permanently during the validity period of the company.

The preparation and issuance of the minutes under the first section may be done in electronic manner.

Article 18. Video or Audio Recording of Meeting

The proceedings of board meetings shall be fully recorded or videotaped and shall be kept for at least 5 years, which may be done in electronic manner.

Before expiry of the period of safekeeping under the previous section, in case of any litigation in relation to any matter resolved by the board of directors, the relevant audio or video recording information shall be kept until the end of litigation.

For any meeting held through video conference, the video and audio information are part of the meeting minutes and shall be kept properly within the validity period of the company.

Article 19. Public Announcement

If any matter resolved by the board of directors involves significant information defined by legislation or rules of the Gre-Tai Securities Market of the R.O.C., the company shall make public

announcement on the information declaration website designated by the competent authority within the stipulated deadline.

Article 20.Cancellation of Board Meeting

If any board meeting of the company must be cancelled due to any special situation after the notice of meeting has been sent to each director, the person convening the meeting shall inform each director in writing at least three days prior to the original meeting date. In case of any sudden incident rendering it necessary to cancel the originally scheduled board meeting and the directors cannot be notified within the above deadline, the person convening the meeting may inform the directors by telephone or in other manner at least three hours prior to the originally scheduled meeting time and confirm that each director has received the notice.

Article 21.Implementation

The establishment of these meeting rules shall be approved by the board of directors of the company, and submitted and reported to the shareholder meeting. Any subsequent amendment hereof may be resolved by the board of directors under authorization.

Article 22.Date of Implementation and Amendment

These rules were established on June 16, 2009.

These rules were amended on March 25, 2011.

These rules were amended on April 30, 2012.

These rules were amended on October 30, 2012.

These rules were amended on July 30, 2015.

These rules were amended on August 10, 2017.

These rules were amended on February 27, 2020.

Appendix 7: Shareholding of Directors

- As of March 30, 2021, the company's registered capital is NT\$720,000,000, the issued capital of the Company is NT\$571,867,420, the issued 57,186,742 common shares.
- The company has elected three independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors other than the independent directors shall be decreased by 20 percent. The actual collective shareholding of directors is 4,574,939 common shares. As the company has established the audit committee that satisfies the requirements of the Securities and Exchange Act, the minimum shareholding requirements for supervisors do not apply.
- As of March 30, 2021, the actual collective shareholdings of directors were shown as below:

Position	Name	Date elected	Term (Years)	Directors	
				Shares	Shareholding ratio (%)
Chairman	Liang, Chin-Li	May 30, 2018	3	2,299,867	4.02%
Directors	Yang, Jung-Tang	May 30, 2018	3	1,047,074	1.83%
Directors	Hu, Tai-Tsen	May 30, 2018	3	1,303,589	2.28%
Independent Director	Yeh, Hui-Hsin	May 30, 2018	3	3,593	0.01%
Independent Director	Wang, Mao-Rong	May 30, 2018	3	5,676	0.01%
Independent Director	Yang, Qian	May 30, 2018	3	0	0.00%
combined shareholding of all directors				4,659,799	8.15%

Note: Director Kao, Hsin-Ming resigned on Oct. 01, 2018 due to personal factors, and the number of shares held at her resignation was 1,330,176 shares.

Appendix 8: Directors and employees compensation

Unit : NTDS

Items	The Board adopted a proposal(A)	already expensed under the Company's 2020 income statements(B)	DIF (A-B)	Difference reason and dealing with the situation
Employees' stock compensation	0	0	0	No different
Employees' cash compensation	60,000,000	60,000,000	0	
Directors' compensation	28,000,000	28,000,000	0	

Appendix 9: The other explanation

1. The company's response about shareholder's proposal in this Annual Shareholder's Meeting :
 - (1) According to the article 172-1 of the Company Act, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal and the number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words.
 - (2) The company has announced on the Market Observation Post System that the shareholders can submit a written proposal for discussion at the shareholders meeting. The period is March 15, 2021 to March 24, 2021.
 - (3) The company had not received any proposals from shareholders.
2. The company's response about the list of nominated in this Annual Shareholder's Meeting :
 - (1) According to the article 192-1 of the Company Act, both shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company and the Board meeting may propose to the company the nomination for election at a regular shareholders' meeting.
 - (2) The company has announced that the shareholders can submit nominations to be elected at the meeting on the Market Observation Post System. The period is March 15, 2021 to March 24, 2021.
 - (3) The company has announced matters about nomination in accordance with the legal procedures. The list of nominated has been approved by the Board meeting on April 15, 2021 and is proposed to release the restriction on competitive activities for the nominated, who participate in the operations of other company that engages in the same or similar business as the Company.
3. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

There was no stock dividend distribution proposed or adopted at the most recent shareholders' meeting, so it is not applicable.